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# The Credit World

May, 1944



**HOTEL SCHROEDER--CONVENTION HEADQUARTERS**

*31st Annual Conference and Credit Sales Forum*

**NATIONAL RETAIL CREDIT ASSOCIATION**

*Milwaukee, May 16-18, 1944*



**WHISTLES BLOWING . . . bells ringing . . . sirens screaming . . . and people everywhere rejoicing . . . that will be the picture of America when Germany surrenders.**

**I**T WILL BE a day never-to-be-forgotten. Men and women everywhere will be seeking news of the end—news that will mean the end of fighting in the European theater of operations. It will mean the climax of the many months of preparations and execution of well-laid plans.

**S**OBER-MINDED businessmen know today that peace with Germany will also mean that a new phase in business will begin. They know that the production of civilian needs will become an important objective in America. They know that, as war plants can, they will be converted to producing the goods most in demand. Many, of course, will still continue to make war materials with which to press our fight against Japan.

**B**UT WE KNOW that victory over Germany will start larger consumer purchases . . . larger than can be paid for by cash. The Credit Bureau will then be called on to furnish credit reports in greater number—reports that will guide credit granters through the period of transition.

**T**ODAY THE CREDIT BUREAU is getting its house in order . . . getting ready for an unprecedented expansion in consumer goods that will follow our Victory. Your cooperation with the Bureau now in turning in derogatory information and by ordering reports on every applicant will place you in a strong position for the credit business we must all be prepared to handle in ever-increasing volume.

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# The CREDIT WORLD

L. S. CROWDER  
EDITOR

ARTHUR H. HERT  
ASSOCIATE EDITOR



VOL. 32

NO. 8

• 1944 •

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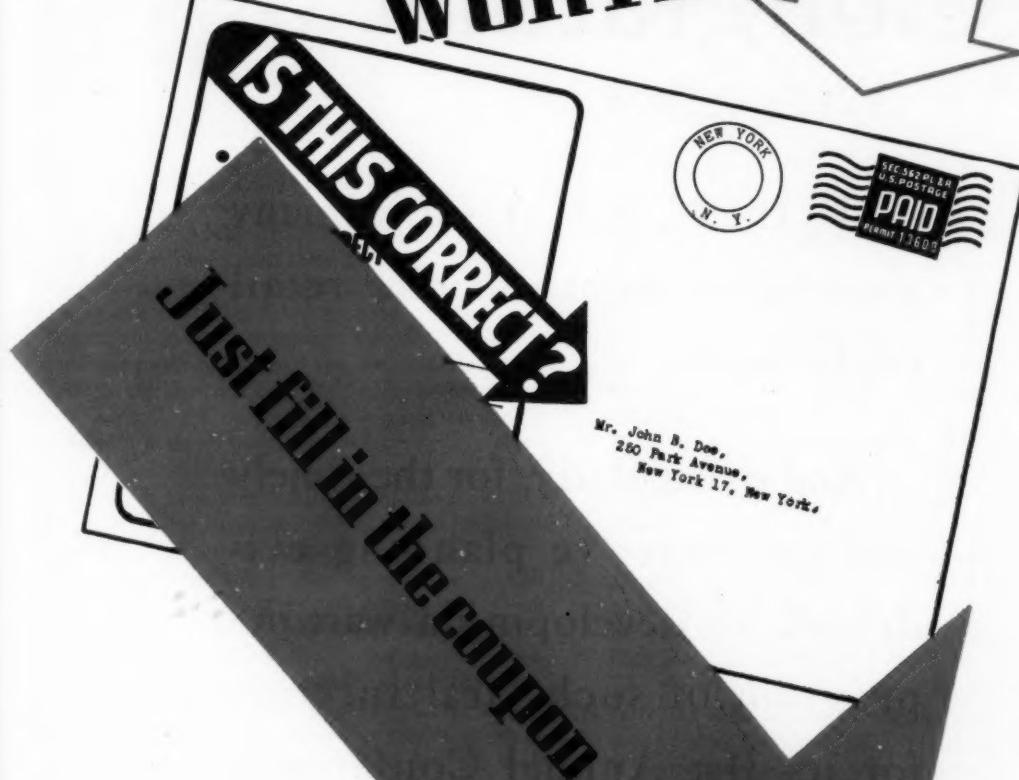
OFFICIAL PUBLICATION OF THE NATIONAL RETAIL CREDIT ASSOCIATION

Editorial and Executive Offices . . . . . Shell Bldg., St. Louis 3, Missouri  
Advertising Representatives, T. W. Farrell, 64 East Lake St., Chicago 1, Ill.  
W. J. Delaney, 9 Rockefeller Plaza, New York 20, N. Y.

Washington Representative, R. Preston Shealey, Colorado Bldg., Washington 5, D. C.  
Entered as second-class matter at the Post Office at St. Louis, Mo., under the Act of March 3, 1879.  
Published Monthly. Subscription \$2.00 a year, to members of the National Retail Credit Association.  
Articles published in The CREDIT WORLD reflect the opinions of the authors and not necessarily  
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INTERNATIONAL BUSINESS MACHINES CORPORATION

# THE CREDIT MANAGER...



W. E. Glass

**A**GREAT MANY PEOPLE think of a credit manager as just a man behind the desk, and some even go so far as to say that he is merely a necessary evil in every well-regulated business. Even some businessmen, not so many years ago, felt much the same way about the credit department and the credit manager. But through the fine work of our National and Local credit associations we can now see a great change in the thinking of many of our businessmen.

Instead of overlooking the credit manager, most businessmen of today have been convinced that he is really a crusader, for a great cause, for the immediate and ultimate financial benefit of his company.

Can you imagine a manager of a major league baseball club saying, "All I need is a good pitcher and I can win the pennant. I don't need a first baseman. We can get along without the catcher"? No, baseball needs every position filled with a good man, to win the game. Can you imagine the great Knute Rockne ever saying, "Give me a couple of good backs or a smart quarterback and we will not need the line"? No, football needs eleven good men, and every position filled, to win the game.

Some merchants, in the past, have made statements that sound just as foolish as those I have just mentioned. Maybe you have heard statements from some of the executives of your organization that run something like this: "All I need is a good Merchandise-Manager or a good Controller; let's not worry about the credit department"? Or, maybe you have heard, "Just give me a group of good salesmen, that's all I need, and I'll put this business over. Let's forget the credit department."

A business today needs good men in every position to be successful. Most merchants, today, I think, have come to realize that fact and are more than ever looking to the importance and efficiency of a good credit department and the real value of a good credit manager.

One of my classmates in college has gone far in the business world. Today he is Vice-President and Manager of all retail stores of one of our largest chain store

---

The author, Mr. Glass, is Vice-President and Treasurer of Cottrell's, Denver, Colorado. This is an address which he gave at the Ninth District Conference in Denver, March 20, 1944.

## His Preparation for the Post- war Era

organizations in America. I have heard him say many times that when his company opens a new store and expects to do a credit business their first move is to hire the best credit manager obtainable. Sometimes, he says, the local store manager will say, "Oh, I can pick up some fellow around here who can handle the job and he will not cost us much." No, that is not the credit manager they want.

*The best man and the highest priced man is always the cheapest in the long run.* Every day the credit manager is becoming more important in the eyes of big business and will even become more so in the postwar era.

Now, let us consider what is expected of you as credit manager and what you must do to prepare for the increased responsibilities in the postwar era. I have listed five things that I think are most important. There are many more but these five, I think, are important.

1. *The Credit Manager Must Progress With Business After the War.*—Business may be conducted much differently after the war is over. All business will be back in competition and we will endeavor to get as much volume as possible. We will improve our advertising, our methods of merchandising and our credit procedure.

In this new era the credit manager must progress and come forth with new ideas and more efficient methods. The credit manager should build and not destroy—build with a definite sane credit policy for his company.

Wide open credit terms such as we had before the war worked harm to the dealer and consumer alike. So establish with your firm a definite credit policy. Sensible credit terms should then be quoted with some dignity instead of such advertising as, "Make your own terms."

2. *Keep in Contact With Your Charge Accounts.*—Letters to both active and inactive charge accounts may not bring a lot of business today, but that contact is important and may mean a great deal of volume for your firm in the postwar era.

Work on plans and devise ways and means of increasing the number of active charge accounts on your books. Do not discourage the use of charge accounts by present customers in the face of Government restrictions! Do not worry about the present shrinkage of accounts re-

(Turn to "The Credit Manager," page 27.)

# Post-War Problems and Opportunities in Retail Credit

Carl N. Schmalz

**W**E ARE HERE to look ahead, together, into the period after the war. Some of us, deeply impressed by the many difficulties which we foresee, will say that our job is to discuss primarily our postwar problems. Others of us, perhaps equally aware of the dangers, will find our minds turning more to the opportunities which peace will bring.

The differences between the two groups are largely differences of attitude, point of view, and emphasis: the cautious, pessimistic, negative, and defensive attitude versus the bold, optimistic, positive, and offensive attitude. To succeed, each one of us must define the problems and solve them. But, also, to succeed each one of us must take full advantage of the opportunities. Therefore, we should examine the postwar problems realistically. As we do so, however, let us try to see the opportunities as well; and from that vision let us try to gain the stimulus and encouragement which only hope and faith can give.

## A Few Assumptions

Anyone who wishes to talk intelligently about retail credit after the war must make himself clear on two matters: *when* he expects the postwar period to begin and *what conditions* he expects to prevail during that period. Even though one makes no predictions on these topics, he must state his assumptions.

On the basis of what I hear and read, I conclude that the surrender of Germany is likely to come during 1944, perhaps before September and possibly before June. Similarly, I conclude that an end to the Japanese war may come during 1945, and is very likely to come before the end of 1946.

After hostilities cease, there necessarily will be a time of rapid and drastic change during which the initial and major readjustments from war to peace are made. Only after these readjustments have taken place will it be possible for conditions to become semi-settled and for a postwar period to assume distinct form. The change-back already is under way on a small scale. Presumably it will begin in earnest immediately after the peace with Germany. It may have progressed far before Japan surrenders. Nevertheless, much, and perhaps most, of the work of reconverting our economy to peaceful pursuits will have to wait until after the war is over in the Far East; that is, say, until after 1945 or, even, 1946. What then remains of the initial readjustment may require twelve months or more; and these months seem likely to fall in 1946 or 1947.

We may assume, therefore, that the period of peace into which we wish to look will begin to take shape late in 1946 or in 1947. Incidentally, let us say that it will endure, presumably with sizeable ups and downs, for eight or ten years, long enough to become a well-recognized era in business history. We have two or three years in which to shape our plans for this period.

During the early portion of the postwar era many odd jobs of the reconversion from war to peace will remain to be completed. The forces which will determine the character of the period, however, will have gained the ascendancy over the forces associated with the mere change-back to peace. The pattern of the new era will begin to emerge.

My assumptions regarding this pattern are that it will have twelve outstanding characteristics, as follows:

1. For businessmen generally, there will be a level of prosperity distinctly above average.
2. Efficiency in production will be greater, on the average, than before the war, so that, as compared with prewar years, we will get a larger physical volume of goods and services for the nation as a whole at a lower cost in human effort.
3. For wage earners, there will be both higher take-home pay per worker and more employment than before the war; in other words, a larger share in a greater national income and a better standard of living. The workers released by higher average production per person in the older industries will be absorbed by important new industries and services.

## Greater Consumer Demand

4. These new industries and services, as well as the increased output of the older industries, will be based upon a consumer demand greatly expanded, broadened, and intensified as compared with that of prewar years. Our interests, appetites, and desires will be stimulated. In addition to our needs remaining unfilled from the war years, we will want more things and new things, including the novel products of wartime research.

5. For salaried workers and the well-to-do, the rise in the standard of living will be smaller than for wage earners, especially unionized wage earners.

6. Demand from abroad will be strong, based on the need for replacing goods destroyed during the war and on the desire in other countries to live on a higher plane as regards material things. We will have to import goods and services freely, since other countries will not be able

to settle their adverse balances in any other way. These imports will add to our supply of consumable goods and services. The exchange will yield a profit to both the peoples abroad and ourselves.

7. Quite possibly, the level of prices will be higher than that which prevailed before the war, perhaps 25% higher.

8. In government, there will be some shift away from Federal statism and the centralization of power toward our traditional reliance on private enterprise and the individual states. This will represent a movement to the right. It will encourage business activity. It will be genuinely sound. It will reflect, in part, the somewhat vague belief that government ownership and operation of any sizeable portion of the economy must result in a lower standard of living than otherwise would prevail. After the war we will not spend our way to prosperity, trying to lift ourselves by our governmental bootstraps.

9. Our military establishment, including the navy and air force, will be larger by several times than that maintained before the war and will constitute an important drain on our manpower and materials. This establishment will be used chiefly abroad. If it is not to constitute a substantial net burden on our economy, presumably it will have to be paid for through the profits of expanded foreign trade or, indirectly, through the contributions of international peace to our domestic prosperity.

10. There will be a stronger tendency than prevailed before the war toward the production of goods and services outside the home by specialized persons and institutions. Therefore, we will experience an increased demand by society for the economic functions performed by the retailers of goods and services. One manifestation of this tendency will be a decline in handicraft, and custom-made production relative to total production.

#### **Bigger and Better Commodities**

11. We will witness the construction of many new homes, especially in outlying localities; the rehabilitation and modernizing of many older homes; the development of country places; a sharp increase in the mechanization and electrification of our homes; and the further decentralization of urban communities.

12. There will be greater dependence upon means of transportation personally owned and operated; but also, greater use of the common carriers, including railroads, steamships, airplanes, and busses.

For retailers, these general characteristics of the post-war era should mean, as compared with prewar years:

1. More business.

2. More business in the hard lines, both old items and new ones.

3. More business in goods of the better qualities and in luxury items; excepting, however, the very high-priced merchandise, for which sales may be smaller.

---

CARL N. SCHMALZ is Treasurer, R. H. Stearns Company, Boston. He was formerly Chief, Bureau of Business Research, Harvard Business School. This is an address before the Montreal Chapter of the Canadian Credit Institute, Montreal, Canada, February 9, 1944.

4. More business in articles for play, sports, and leisure-time use.

5. Greater difficulty with, and expense for, both delivery and customer parking; and more concern by downtown stores over traffic congestion; all tending to stimulate interest in branch stores.

6. More telephone and mail-order business.

7. More regular charge business and more installment business.

8. Some reduction in the average credit risk, perhaps, from greater stability of income; but, quite possibly, some increase in risk from the moving about of customers and from a less keen sense of responsibility. We may well encounter more unauthorized use of charge accounts, more losses on bad checks, and other evidences of less careful training or a devil-may-care attitude.

So much for the kind of world in which we will do business after the war.

Our task, next, is to examine the difficulties, the opportunities, and the responsibilities of retail credit men in such a world.

#### **1. Government Regulation**

The first problem and the first opportunity have to do with government regulation.

The retail credit structure with which we entered the war embodied important elements of weakness arising from too great leniency of terms in both the regular charge and the installment fields. In part this leniency resulted from keen and misguided competition among retailers during the depression and recovery years. In part it reflected the easy-credit policies of the early New Deal. The structure, however, was not thoroughly sound and businessmen were not doing enough to strengthen it. This situation constituted one major shortcoming for which government regulation was suggested as a remedy.

Prior to the war, also, the volume of consumer credit outstanding had been subject to little control. Each businessman, whether retailer, discount operator, or banker, watched his own receivables and tried to keep them sufficiently liquid to insure not only solvency but also a profit. The central banks tried to curtail credit in times of excess and to make money easy when trade was slack.

Nevertheless, the typical effect of retail credit, especially installment credit, was to build higher the peaks of prosperity and to dig deeper the troughs of depression. From the standpoint of the economy as a whole, this was bad, a sizeable offset to the good contributed by credit selling and a second major shortcoming.

The wartime controls created to minimize inflation struck, also, at both these shortcomings. Regulation W tightened up terms for almost all retailers, bringing a new degree of soundness to the credit structure; and it restricted the volume of credit during a boom which otherwise would have been built higher, at least in dollars. The success of this regulation poses a knotty problem of surpassing importance.

Should we surrender these gains and return to a regime of freedom largely unrestrained; or should we seek to maintain some controls? If the latter, what should we try to control, and how?

(Turn to "Post-War Problems," page 26.)

# What Is Post-War Business Worth NOW?

*Lt. Norman F. Edwards*

826th Squadron, Army Air Base, Harvard, Neb.

- ★ Prior to joining the Army Lt. Edwards was Secretary-Treasurer of W. W. Woodruff Hardware, Knoxville, Tenn. He was President of the Retail Credit Association of Knoxville in ★ 1942-1943.

**T**HE MERCHANTS of this country, particularly the retail merchants, and the ones who are enjoying unexpectedly good volume are knowingly selling themselves out of millions of dollars worth of postwar business, and totally without reason or excuse.

It has been my practice since I have been in the service to send my wife a coffee cup from each city where my assignments placed me. In one of Chicago's leading department stores, while attempting to add to her collection, I was reminded of my poor patriotism by the sales clerk who told me, "You should be buying War Bonds." All very good, and I am, but it is hardly a matter within the policing province of the china department would you think?

In a Pennsylvania city of probably 100,000, I wanted to buy a small item, formerly a staple 10¢ seller. I knew it had been scarce but, anyway, I was trying. The clerk asked me twice, the second time I think merely for enjoyment, and then said, "Are you kiddin'?" Less than two weeks ago in a Pullman smoker I overheard a conversation between two civilians that indicates my own experiences have been what the Army would term "SOP." The speaker had driven in to a rail junction town to catch this particular train and expected to return within 24 hours. On the way into the city one of his tires had picked up a nail and he had driven into a service station to inquire if they could have it repaired for him by the time he got back. The station manager made it clear to him in no uncertain terms that the personnel of his station consisting of two persons had much more important and better things to do than "fix flats." The car owner replied, and I quote: "I hope if I ever come into your place again, after the war, that you're starving to death."

Christmas was getting pretty close and not knowing when I'd have another chance to assist Santa Claus at my house I went into a department store in a town of 150,000 and inquired as to what might be available in a child's wagon. The clerk surprised me by saying I could get one, but then added brightly, "But it's no account." While debating between his assurance and my own desire to buy that particular item another customer approached for the same article. Consistent to the last, the salesman told this prospect exactly the same thing and then added threateningly, "And anyway you

wouldn't want to pay the price." By this time my experiences had begun to crystallize into a dreadful thought. Was this sort of thing going on everywhere, in all the stores? I decided to try to purchase a few items I knew were not obtainable and in each successive store in every town and city my fears were only too strongly confirmed.

In a leading jewelry store, in a representative town, I inquired for a cigarette lighter. I was invited to return and seek the same opportunity in two years. In the next town, I tried again and at least met a comradely and cooperative spirit, "If you had one," suggested the clerk, "I'd trade you a steak for it—that is if I had a steak." In the third town, I changed my approach and inquired as to when I might secure a watch cleaning job—no repairs, just a mere dry-clean. "Well," cordially invited the watchman, "you can leave it here and pick it up on your way back after the war is over."

None of these experiences held any element of personality, but they are representative and indicative of the low state to which counter salesmanship has been permitted to fall. "New sales help" is probably management's too-easy reply to such things, which if allowed to continue uncurbed will daily become a greater menace to postwar stability of accounts and a decided deterrent to mortality replacement of accounts and a positive hindrance to the attraction of new business.

## **Management at Fault**

Such selling is not the fault alone of 'new sales help' but more directly constitutes a direct condemnation of management itself. What is management doing to correct or even curb such classical selling in the negative?

True, the feeling exists that people today will buy whatever there is for sale whether they need it or not. But also equally true is the fact that customers are spending their own money and are still entitled to courteous consideration to every request they make and to every earnest desire they express. Have we forgotten the old concept of merchandising—that a prospective customer is our guest, to be honored and cherished? Has it been so easy to forget 1932 when we'd even mow the lawn to sell a lawnmower and do free moving just to deliver a 3-piece suite?

By this time I'm sure most of us have heard of the "war that's going on" and the majority of customers realize that many exact items are utterly un procurable. But with OPA what it is and other influencing factors

(Turn to "Post-War Business," page 22.)

## MORE ABOUT Post-War Credit Control

I WAS INTERESTED in the two splendid articles on Regulation W by Louis J. Breuner and Leonard Berry in the February issue of *The CREDIT WORLD*. There are some excellent points advanced on both sides but in the discussion of all such matters, there is a much wider and a much more important factor which many sometimes overlook. Mr. Berry has not missed this great over-all point and he covers it in several of his paragraphs, one of which is as follows:

"Without becoming overly rhetorical, let us keep in mind always that one of the basic parts of our Democracy is freedom, and it is a firm belief of many that only under the competitive interplay of individual enterprise can the proper benefits redound to the individual."

The one big over-all factor to which I refer lies in the fact that we must either have control, not in Regulation W alone, but in all of the activities of our lives. We cannot each of us hang to some little item which we ourselves like, and which may truly be good within itself, and expect to throw out and dispense with all the other restrictions which we do not like but which other people and other factions may desire as much as we desire our own pet hobby.

### If Credit Control Is Continued, What About Other Controls?

If we ask for continuation of credit control, we certainly must expect continuation of price control and manufacturing controls, and controls here and controls there. Truly enough, some of us may suffer where others may prosper, but we are either going to live in a controlled nation or we are going to live in an uncontrolled nation where we can enjoy the exhilaration of matching our abilities with the abilities of others and living a free life in a world of competitive individual enterprise.

We can hardly debate one of the minor issues like Regulation W or any other single field of control until we first decide the greater question of whether we want to live in a controlled life or an uncontrolled life. We all admit the need, at times, of emergency control and emergency action, even in times of peace as in times of war. But, do any of us want to accept the over-all pattern of a controlled life and regimentation rather than accept, with willingness, our place in a competitive world of freedom.—*W. P. Potter, General Manager, Glendale Merchants Association, Ltd., Glendale, Calif.*

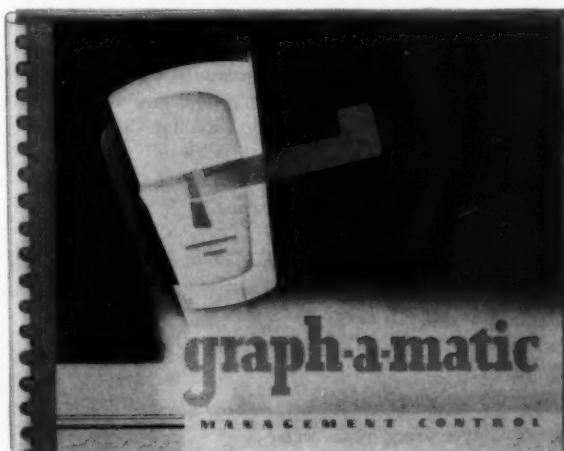
**Reading this magazine carefully  
and regularly will contribute to  
your success as a Credit Executive**

## The Book Shelf

**Appraising Postwar Opportunities for Retailing** (Chamber of Commerce of the United States, Washington 6, D. C., 12 pages, 10 cents)—This booklet was prepared especially to serve as a manual of procedure for use of executives and committees of local chambers of commerce and merchants' associations which are dealing with retailers' problems.



**Graph-A-Matic Management Control**—Illustrated below is the cover design of a 73-page brochure containing a wealth of practical experience on sound Managerial Control Systems. The facts presented are based on several years intensive research. They provide a complete authoritative answer to many of the pressing administrative problems faced by every business executive today.



This brochure presents the very latest method of controlling production, material, procurement, personnel, sales and accounting systems used successfully by 137 of the country's most prosperous business organizations. Any business executive may obtain a complimentary copy by forwarding a request on his company letterhead to Remington Rand Inc., Buffalo 5, New York.



**What the Figures Mean** (The Ronald Press Company, 15 East 26th St., New York, N. Y., 127 pages, \$2.50)—This book has been written for people who want to understand and use business figures, but who have never had it explained that the way to do this is to enlist the aid of a few simple, easy methods of statistical analysis to bring out of the figures important meanings otherwise difficult to perceive. The author, Stephen Gilman has deliberately kept the book simple so that it may better meet the needs of those for whom more orthodox but more elaborate statistical treatment has little interest.

# Credit Department Letters

**EDITOR'S NOTE:** We have arranged for an outstanding authority to conduct the Credit Department Letters page and the Better Letters Service. For the present his name cannot be revealed. He is recognized by this Association and others as one of the three top-ranking authorities on Business Letter Writing in the United States.

**N**OT LONG AGO, *Coronet Magazine* ran a short article in one of its issues entitled "Imagination." The article told the story of how a successful Chicago lawyer got his start.

When he was employed, his first "cub" job was the routine collection of overdue accounts. Among them was one considered a "dead" account, and it was put in the youngster's list as a joke. Two days after he sent his letter, a check in full for this "dead" account was received. The head of the firm, astonished and curious, called the young "cub" into his office.

"John, I see you have collected Mr. Smith's account. What on earth did you say to him?"

"I didn't know what to say, so I just mailed him a bill and a short letter."

"We've been doing that for years. Let's see a carbon of your letter."

It was laid on his desk. A broad grin spread over the executive's face as he read:

"Dear Mr. Smith:

Unless we receive your check by return mail for the full amount of the enclosed bill, what we will do will amaze you."

That this type of letter is rare is true. But the point in using it is that in the writing of letters we need to show initiative, imagination, and sometimes a naïve attitude along with our technical knowledge of letter writing. By using all these qualities, our letters do not become carbon copies of other letters.

## This Month's Illustrations

The sales promotion letter in *Illustration No. 1*, used by the Manufacturers Bank and Trust Company of Saint Louis, Mo., starts with a brief, yet interest-arousing, statement regarding brevity and then carries that theme throughout the letter. Notice the short second paragraph and the clear, concise details given in the fourth paragraph. The last sentence shows the ease with which the keys to the safe deposit box may be had so that the prospective customer may use the box immediately.

One "selling" point that comes to mind for such a letter is that today everybody has need for a safe deposit box because it is our patriotic duty to buy and keep our war bonds; and what safer place to keep them than in a safe deposit box?

*Illustration No. 2* used by Hurley's of Camden, N. J., and signed by H. A. Moran, General Manager, carries a tone that is friendly and cooperative. The customer is led on to read about the different services in the store that the W. L. Hurley Co., offers him; and then the friendly tone of the last paragraph induces him to come in and "browse" through the various departments.

*Illustration No. 3* used successfully by The Fashion of Columbus, Ohio, and signed by L. M. Fidler, the Credit Manager, is an excellent example of a "last" credit appeal letter direct from the credit manager to the customer. The positive first statement awakens the reader to the fact that action on his account, unfavorable to him, is about to take place.

The next paragraph is a bid for the customer's favorable reaction by pointing out that the Credit Manager still "believes" in him, and is expressing it by making a dignified yet friendly appeal. Notice that the last paragraph gives the customer a definite date within which to make his arrangements for payment.

*Illustrations 4 and 5* used by Porter's Incorporated, of New Orleans, La., and signed by K. Northern, represent a four-page unique method of handling a small account. The note is cleverly conceived and to the point, besides embodying a personal touch that pleases the customer. The statement indicating the balance due is shown on the inside page.

*Illustration No. 6* is a message used by Keith-O'Brien Inc. of Salt Lake City. The message is printed in black and white on a plain white card size 4" by 5", and is mailed in a plain envelope with a tissue paper on the face of it, somewhat like a marriage or other announcement. It is a letter of distinctiveness both in written and technical form. The letter strikes a responsive chord in the opening with Burns's famous first line from his poem, "Auld Lang Syne." That thought is carried throughout and is emphasized in the last paragraph by the statement that "old acquaintances are not forgotten" at Keith-O'Brien Inc.

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

## If You Have a Good Letter—Send It In!

This department is constantly searching for good letters—letters that have proved their worth by actual results. If you have such a letter, send it in—with a statement of how it was used and the results obtained. There is only one requirement to make this page—a good letter!



CAPITAL & SURPLUS FUNDS  
\$10000000

March 22, 1944

Mr. Gerald Smith  
Smith Manufacturing Company  
1641 South Second Street  
St. Louis (4), Missouri

Dear Mr. Smith:

Brevity, always a virtue, is a MUST in these war-busy days.

So, to make a long story short.....

The Manufacturers Bank and Trust Company wants very much to rent you a SAFE DEPOSIT BOX for the protection of your War Bonds and other valuable papers.

We offer: a location convenient to your office; service-minded, courteous employees; cost -- less than 2 cents a day for some boxes; a progressive, growing institution providing complete banking facilities; Friday evening hours from 4:30 until 8 o'clock, in addition to regular banking hours... and a keen desire to serve you.

Won't you write authorizing us to reserve a box for you? Just fill in the enclosed card and put it in the addressed envelope. The next time you are in the bank you may secure the keys and fill in the necessary identification papers.

Cordially yours,

*James P. Hanahan*  
President

JPH-A

*Hurley's*

W. L. HURLEY CO.  
BROADWAY AT PINE ST - CAMDEN, N.J.  
HURLEY'S CO.  
HURLEY'S CO.  
HURLEY'S CO.  
HURLEY'S CO.  
HURLEY'S CO.  
HURLEY'S CO.  
HURLEY'S CO.

May 15, 1944

Mr. Lewis Garrett  
19 Webster Place  
Camden, New Jersey

Dear Friend:

This friendly note is to let you know that your account is now nearly paid-in-full, and to tell you that we fully appreciate the prompt and business-like way in which you make your payments.

You have firmly established your credit with us, so we are listing your account as one of our preferred customers. You are privileged to make purchases in any of our departments, without waiting until you have paid-out your account. You'll find our Continuous Charge Account Budget Plan very convenient when shopping at HURLEY'S.

Come in to see the varied displays of newest, smartest styles in Furniture, Rugs and Appliances for the home, and Clothing for the family. Also Jewelry and Radios. Visit our Gift Shop, where you can select remembrances for all occasions. For Eye Glasses consult our registered Optometrist.

Visit us real soon, if only to shake hands, say "hello", and browse around the various departments.

Cordially yours,

*W. L. Morris*  
General Manager  
W. L. HURLEY CO.

HAM:RL



Furniture - Floor Coverings - Clothing - Jewelry - Radio - Electrical Appliances - Optical Service



May 2, 1944

Mr. Jacob Frank  
3932 Western Boulevard  
Columbus, Ohio

Dear Mr. Frank:

Your November account, amounting to \$65.87, has been given to me by the Collection Department to be placed with our attorney for collection.

Considering the length of time your name has been on our books, we have refused to approve this action without sending one more letter to you.

Your continued silence and also the fact that we have received no remittance since February leaves no other course open for us to pursue.

We are granting an extension to May 25 and ask that you make some definite arrangements with our Credit Department regarding your account on or before that date, thereby avoiding this unpleasant action.

Sincerely yours

THE FASHION  
*L. M. Fidler*  
Credit Manager

LMF:MFT

PORTER'S, Incorporated  
NEW ORLEANS, LA.

May 1, 1944

Dear Friend:

The charge we show on the next page is so small that we are sending this very little statement to bring it to your attention.

Now that we have done this, we are confident that you will send us your remittance.

Your cooperation is appreciated.

Cordially,  
*K. Northern*  
K. Northern

STATEMENT  
PORTER'S, Incorporated  
230 Carondelet Street  
NEW ORLEANS, LA.

"P. L. A. Smith  
1111 Pine St.,  
New Orleans, La.

Feb. Bal. \$2.50

6  
"Should Auld Acquaintance Be Forgot?"  
You have not used your charge account here during the past several months, and we are sincerely interested in knowing the cause.

We have a store that ranks with the finest in the country. Merchandise of national fame and reputation. A spirit of service that is sincere and friendly.

At K.O.'s old acquaintances are not forgotten. We shall be pleased indeed if you will resume trading on account, or, if anything is wrong, please advise us friendly.

Keith-O'Brien Inc.  
Salt Lake City

# Journeyings of the General Manager

HAVING RETURNED from my eastern trip on Friday afternoon, February 18, I did not leave for the conference of District 6 at Omaha until Sunday evening, the 20th. Fortunately, the train was about on time and I arrived before the morning session opened. My talk on postwar credit was scheduled for 9:30 Monday morning.

There was an address by Gilbert N. Abbott, Credit Manager, Hudson's Bay Company, Winnipeg, on "Results of Credit Control in Canada." Also an interesting debate on "Credit Control Through Community Credit Policy vs. Through Legislative or Similar Regulation." The panel was composed of Allen T. Hupp of Omaha, M. A. Askerman of Minneapolis, D. D. Bolen, Des Moines, J. L. Owens, Lincoln, and C. F. Basler of Omaha acted as Foreman.

So much interest was created that it was carried over until the afternoon session on Monday. The panel for the discussion of "Postwar Credit Planning" consisting of W. W. Bauer, Lincoln, M. A. Askerman, Minneapolis, C. R. Stowell, Sioux City, and L. M. Spence, Council Bluffs, was consolidated with the first panel and there was considerable discussion of both subjects.

On Tuesday morning there was an excellent address by Frank T. Caldwell, Secretary-Manager, Associated Credit Bureaus of America, on "Changes in Credit Granting." The subject, "A Survey of War Finance," was interestingly handled by Karl M. Arndt, Associate Professor of Economics, University of Nebraska, Lincoln, and the Honorable Dwight Griswold, Governor of Nebraska, delivered a very fine address on "Midwest Leadership."

It was my pleasure at noon to have luncheon with Governor Griswold and Mr. Arndt, a guest of E. W. Devereux.

The banquet on Tuesday evening was a delightful affair. The banquet speaker was Frank P. Fogarty, General Manager, Omaha Chamber of Commerce. His subject was "Postwar Market for Consumer Goods." The address was interesting and enlightening.

Attendance at the conference was approximately 250. Harry Wrenn, President of District 6, N.R.C.A., who presided, and the Omaha committee were given a vote of thanks for a job well done. Ross M. Carrell of Des Moines was elected President and the next conference will be held in Des Moines in February, 1945. Dean Ashby, M. L. Parker Co., Davenport, was elected National Director.

On Wednesday morning, the 23rd, I left for Sioux City, Iowa, where I addressed the annual meeting of the retailers, at the Warrior Hotel, that evening. Carroll N. Smith, General Manager of Weatherwax's, presided.

A "get-together" before the dinner was capably handled by the Secretary of the Association, Wm. C. Slotsky.

Before my departure for Des Moines the following morning, several calls were made.

Arrived in Des Moines about five o'clock Thursday afternoon. Attended a postwar planning dinner at the Des Moines Club that evening and addressed the Des Moines group at noon the next day. Accompanied by Harland C. Bush, Secretary of the Retail Credit Association of Des Moines, calls were made on eighteen or twenty executives and credit managers, among them S. Roscoe Graham and Lawrence R. Sul-

livan of the Register & Tribune Company, Charles H. Bryant of the Des Moines Morris Plan, George Jorgensen, Iowa-Des Moines National Bank, Miss Gladys Thompson of Cassiday's and Ross M. Carrell, The Central Billing Office—all Past Presidents of the Des Moines Association. Also called on Charles Ritz of the Davidson Company, President of the Association.

Had an interesting discussion of Regulation W with I. D. Ginsberg, Secretary-Treasurer of L. Ginsberg & Sons (furniture). He stated that Regulation W has done a fine job for the retail furniture dealer and should, by all means, be continued for the period of the emergency, until such time as there is sufficient merchandise to take care of the demand and there is not a mad scramble for business.

While the Postwar Planning Committee, in its discussion of Regulation W and postwar plans, felt that the Regulation should be discontinued, they believe it should not be done until after the emergency. Practically all of the committee members present felt that certain modifications should be made in Regulation W now.

During my stay in Des Moines I was a guest of Past President and Mrs. David D. Bolen. Returned to St. Louis Saturday morning, February 26.



LEFT ST. LOUIS for the conference of District 9 at Denver, on the *Colorado Eagle*, Saturday afternoon, March 18. Frank T. Caldwell, Manager-Secretary of the Associated Credit Bureaus of America, and E. A. Uffman, Manager of the Collection Service Division of that organization, were on the same train. We reached Denver the next morning about eleven o'clock.

The conference was reported to be the best and the attendance was the largest in the history of the District. At the breakfast meeting of the newly organized Denver Credit Women's Breakfast Club, on Monday morning, Mr. Caldwell made an inspiring address on the subject "What Are We Working For?"

Two excellent addresses were made at the opening session of the conference on Monday morning, by Sam Sherman, General Merchandise Manager of The May Company, and W. E. Glass, Vice-President of the Cottrell Clothing Company. The address of Mr. Glass appears in this issue. Interesting and constructive papers were presented by Harry Earl of Salt Lake City, on Monday morning, and by Messrs. Uffman and Floyd E. Miracle of Casper, Wyoming, on Tuesday morning. The latter told the audience, straight from the shoulder, what they, as credit men, should do in the handling of accounts given to the collector (collection agency).

At the noon luncheon on Monday, attended by 165, I spoke on the subject "Postwar Retail Credit Planning."

On Tuesday morning, brief remarks were made by Mrs. Helen Peters Brown, Pueblo, President of the Rocky Mountain Council, Credit Women's Breakfast Clubs, E. Bland Cresap, President 6th District, Associated Credit Bureaus of America, and LeRoy Rosvall, Vice-President, 9th District,

(Turn to "Journeyings," page 21.)

# EDUCATION

## As a Means of Credit Control

Ralph T. Moore\*

**A**MONG THE INTERESTING STATEMENTS contained in the Code of Ethics, Community Credit Policy and Pool Account Plan, as adopted by the members of the Retail Credit Association of Myrtle Point, Oregon, is the fact that force of circumstances and not dishonesty is the principal cause of excess indebtedness. A workable method of getting discouraged but worthy debtors back on their feet via the installment principle is based on this fact.

Debtors are made to understand that their creditors value their trade enough to help recreate it. Their credit record is re-established by setting up a schedule of installment payments well within their means, and sufficient to retire old obligations within a reasonable time. It is called the "Pool Account Plan," and is participated in by all the creditors.

The theory is to appeal to the innate sense of justice in every debtor, by offering him relief from debt stigma at the cost of a moderate amount of effort on his part. The plan is based almost solely on persuasion rather than compulsion. It is designed to restore self-respect and a renewed confidence. It has met with considerable success and no doubt its use will be general in time to come.

The possession of a good credit record is the most valuable asset a man can have. His lifelong duty should be to protect and preserve it. If adversity should strike, it will furnish shelter, food and clothing for his loved ones. It brings security in time of need by harnessing the community's combined resources in response to the universal appeal of the brotherhood of man. It is the key to the door of opportunity for the average man. In preserving its integrity a man brands himself as honorable, trustworthy and deserving of the respect of friend and neighbor.

Unfortunately, though everyone well realizes the truth of these statements and intends to govern himself by them, the insidious stealthy approach of excess indebtedness is not readily detected and the victim is claimed almost before he is aware of the danger. Our generous credit system, the basis of modern merchandising is very susceptible to this evil. It has often been a land mine in the path, a lurking menace that has destroyed many a happy marriage and brought misery to many a home.

Retail merchants acknowledge their share in the guilt

\*Mr. Moore is President of Moore Mill & Lumber Co., Bandon, Oregon, and is also State Legislator from Coos County, Oregon. He is a member of the Retail Credit Association of Myrtle Point; Chairman of the Educational Committee of that Association; and a member of the N.R.C.A.

in permitting this credit evil to lay hold of so many of our people, and have vigorously set about to educate both themselves and their customers on how to prevent it. This forward-looking, intelligent plan of self-aid has great promise. The merchants should be publicly commended for its inauguration. The roots of the credit system are deep and widespread. Its use or abuse affects merchants and customers with almost equal severity.

Overextension of credit has ruined many a merchant and destroyed life savings at a time when earning power has waned. So complex and intricate are the system's workings that the welfare of all rests on the performance of the individual. It is like a precision instrument, to be used with caution, very susceptible to damage by rough handling, but giving a lifetime of service under proper usage. If cherished carefully, it will guide one through the vicissitude of jeopardy of normal life to a serene contentment of old age. Instruction in credit use is a prime responsibility of every parent and every educator. Every young man should have it when he undertakes the founding of his home. An indication of the high standards prevailing in the retail trade is the fact that it is giving valued aid in this important social service.

### Special Combination Offer

**THE LAYMAN'S HANDBOOK OF REGULATION W (and New Supplement Containing Consolidated Amendments)**

Regular Price, 75c to members  
(nonmembers, \$1.25)

—and—

**THE SOLDIERS' AND SAILORS' CIVIL RELIEF ACT**

(1940 and 1942 Statutes Consolidated)

Regular price, 50c to members (nonmembers, 75c)

**BOTH FOR \$1.00 to members**

(nonmembers, \$1.50)

Here's your opportunity to secure both of these outstanding booklets at a saving! They will help you to keep up to date on these important Government measures.

Send your order with remittance today!

**NATIONAL RETAIL CREDIT ASSOCIATION**

Shell Building

St. Louis 3, Mo.

NATIONAL RETAIL CREDIT ASSOCIATION



You are cordially invited  
to attend  
the

31st ANNUAL CONFERENCE

and  
CREDIT SALES FORUM

of the

NATIONAL RETAIL CREDIT ASSOCIATION

ASSOCIATED CREDIT BUREAUS OF AMERICA

(Bureau Managers and Collection Service Divisions)

CREDIT WOMEN'S BREAKFAST CLUBS OF NORTH AMERICA

HOTEL SCHROEDER

MILWAUKEE, WIS.

JUNE 16th TO 18th

1 • 9 • 4 • 4

# Amendment to REGULATION W

WE ARE HAPPY to announce that several of the provisions of Amendment 11 to Regulation W, issued by the Board of Governors of the Federal Reserve System, were recommended by our Legislative Committee (page 27, April CREDIT WORLD). For instance, Section 5 (d) "Curing Defaults" as amended, was a resolution of the Retail Credit Association of Baltimore of November, 1943, which the National Association immediately forwarded to the Federal Reserve Board with our recommendations. It was also recommended by our Legislative Committee, and was adopted with only minor changes. Also, Section 4 (a) entitled "Down Payment" as amended in Clause (3) was recommended by our Legislative Committee at its meeting in Washington, last February. Likewise, amendment to Section 5 (g) "Small Defaults" was recommended by the Legislative Committee. The amendment became effective April 3, 1944, and according to the Board of Governors of the Federal Reserve System, "The changes are technical or administrative, designed to improve the practical workings of the regulation. . . . Although the amendment makes about 15 small changes in the regulation, none of these requires the credit-grantor to do anything he was not previously required to do."

Regulation W is hereby amended in the following respects, effective April 3, 1944:

1. By amending section 4 (a) entitled "Down payment" so that clause (3) will read as follows:

(3) In the case of articles the cash price of which is \$10.00 or less, no down payment is required.

2. By adding to section 4 (d) entitled "Statement of Transaction" the following sentence

The Statement of Transaction need not include a description of the article if it is purchased by means of a coupon book or similar medium of instalment credit upon which a cash down payment of at least one-third of its purchase value has been made.

3. By adding at the end of Section 5 (d) entitled "Curing Defaults" the following paragraph:

In the case of any charge account obligation of any member or former member of the armed forces of the United States incurred prior to his induction into such service, a default may be cured by the purchaser entering into a written agreement in good faith to make payment according to such terms as the Registrant shall deem it appropriate to require.

4. By striking out of Section 5 (f) entitled "Authorization of Small Items" the words "within 15 days from the date of sale" and inserting in lieu thereof the words "within 30 days from the date of sale."

5. By amending Section 5 (g) so that it will read as follows:

(g) *Small Defaults.*—A charge account shall not be deemed to be "in default" within the meaning of Sections 5 (c) or 12 (m) if the amount in default is less than \$10.00.

6. By amending Section 6 (d) so that it will read as follows:

(d) *Statement of the Borrower.*—No Registrant shall make any instalment loan, except under the provisions of Section 10 (a), unless he shall have accepted in good faith a signed Statement of the Borrower as to the purposes of the loan. Such Statement shall state whether or not any of the proceeds of the loan are to be used to make a down payment on the purchase of a listed article or to be used to purchase any listed article having a cash price of \$15.00 or more, and, if any of the proceeds of the loan are to be so used, such Statement shall identify such listed article and shall state the cash price thereof and the value of any trade-in. Such statement shall state also whether or not any of the proceeds of the loan are to be used to reduce or retire any instalment sale or instalment loan, or any single-payment loan which is subject to this regulation, or any charge account arising in whole or in part from the sale of a listed article, and, if any of the proceeds are to be so used, shall state the amount of such obligation and the terms of payment. If a Registrant relies in good faith on the facts set out by the obligor in such Statement, it shall be deemed to be correct for the purposes of the Registrant. (The Registrant, at his option, may use either his own form or the most recent Statement of Borrower form prescribed by the Board.)

7. By amending Section 7 (c) entitled "Renewals and Extensions" so that clause (i) of numbered paragraph (3) will read as follows:

(i) with respect to any obligation of any member or former member of the armed forces of the United States incurred prior to his induction into such service,

8. By amending Section 7 (d) so that it will read as follows:

(d) *Statement of the Borrower.*—No Registrant shall make any single-payment loan, except under the provisions of Section 7 (c), unless he shall have accepted in good faith a signed Statement of the Borrower as to the purposes of the loan. Such Statement shall state whether or not any of the proceeds of the loan are to be used to make a down payment on the purchase of a listed article or to be used to purchase any listed article having a cash price of \$15 or more, and, if any of the proceeds of the loan are to be so used, such Statement shall identify such listed article and shall state the cash price thereof and the value of any trade-in. If a Registrant relies in good faith on the facts set out by the obligor in such Statement, it shall be deemed to be correct for the purposes of the Registrant. (The Registrant, at his option, may use either his own form or the most recent Statement of Borrower form prescribed by the Board.)

9. By amending Section 8 entitled "Exceptions" so that clause (l) of subsection (m) will read as follows:

(l) the conversion of heating equipment to the use of any other fuel, the repair of heating equipment, or the replacement of heating equipment if it is worn out, damaged beyond repair, or destroyed,

10. By adding to Section 8 entitled "Exceptions" the following new subsection:

(p) *Loans to Indians.*—Any extension of credit made in accordance with regulations of the Secretary of the Interior for the economic development or rehabilitation of Indians.

(Turn to "Regulation W," page 23.)



**KENTON R.  
CRAVENS**

Vice-President, Mercantile-Commerce Bank & Trust Co., St. Louis . . . Active in credit work all of his business life, he was a consultant to the Federal Reserve Board with respect to selective credit controls and the promulgation of Regulation W.



**R. G. TROSPER**

Executive Vice-President, Greensboro Merchants Association, Greensboro, N. C. . . President of the Associated Credit Bureaus of America . . . Began bureau work in 1921 in Bluefield, W. Va., and while in that state helped organize the Associated Credit Bureaus of West Virginia.



**TOM C. CLARK**

Assistant Attorney General, Antitrust & Criminal Divisions, Department of Justice, Washington, D. C. . . A.B. & LL.B. University of Texas . . . Formerly District Attorney, Dallas County, Texas . . . Appointed to staff of the Department in 1937 . . . Has served in the New Orleans and Los Angeles field offices of the Antitrust Division.

## PROGRAM 31ST ANNUAL CONFERENCE NATIONAL RETAIL CREDIT ASSOCIATION, HOSCH

*General Convention Chairman, Eugene F. Schuster*

### Tuesday . . . May 16

9:15—ASSEMBLY—Grand Ballroom (Fifth Floor)  
Hotel Schroeder.

#### COMMUNITY SINGING.

Edwin A. Reddeman, Vice-President, American State Bank, Milwaukee, Song Leader.

9:30—CALL TO ORDER—Joseph A. White, Harris Stores Co., Pittsburgh, Pa.; President, National Retail Credit Association.

INVOCATION—Rev. Andrew Gladstone Finnie, Pastor, Immanuel Presbyterian Church, Milwaukee.

#### IN MEMORIAM.

WELCOME TO MILWAUKEE—Harry J. Bell, Executive Director, Milwaukee Association of Commerce.

RESPONSE FOR THE UNITED STATES—Frank D. Francis, The Emporium, San Francisco, Calif.

RESPONSE FOR CANADA—T. L. Robinette, K.C., The Robert Simpson Company, Ltd., Toronto, Ont., Canada.

A TRIBUTE TO OUR MEMBERS IN THE ARMED SERVICES OF THE UNITED STATES, GREAT BRITAIN AND CANADA—Colonel Franklin Blackstone, Frank & Seder, Pittsburgh, Pa.; Past President, National Retail Credit Association.

#### GLEN V. BORK

President, Northern States Power Co., Eau Claire, Wis. . . Entered utility business in 1919 and operated systems in Western Wis. . . Appointed Gen. Mgr. of the Co. in 1928 and President in 1938 . . . Chairman of Comm. for Economic Development for N. W. Wis.



#### MRS. LAURA GEREN

Boston Store, Fort Smith, Ark. . . President, Credit Women's Breakfast Clubs of North America . . . An assistant in the Credit Department of the Boston Store, she has served as Cashier and Bookkeeper since joining that firm in 1926 . . . Has been active in local and national credit women's affairs.



#### DR. ALBERT HARING

Professor of Marketing, Indiana University . . . Ph.D. Yale, 1925 . . . Vice-Chairman, Marketing Committee for Economic Development . . . Past president, American Marketing Association . . . Consultant in credit National Retail Furniture Association.



HON. E. KEFAUVER  
Representative, Congress of the United States of America . . . Member, House of Representatives, Tennessee . . . Subcomm. on Bankruptcy, House of Representatives . . . Committee on Small Business, House of Representatives . . .

10:15—APPOINTMENT OF COMMITTEES.

10:30—"The Part Business Must Play in the Winning of the Peace."

H. W. Adkins, Executive Vice-President, Yahr-Lange, Inc., Milwaukee, Wis.; Member of the Committee for Economic Development.

11:00—"Retail Credit and Legislation."

Hon. Estes Kefauver, Representative in Congress, Chattanooga, Tenn.

11:30—"What's Ahead?"

Dr. M. R. Neifeld, Economist, Beneficial Management Corporation, Newark, New Jersey.

12:00—INTRODUCTION OF MILWAUKEE CONVENTION COMMITTEE.

INTRODUCTION OF MEMBERS FROM CANADA. CONVENTION PHOTOGRAPH.

12:30—ANNOUNCEMENTS AND ADJOURNMENT.

### Wednesday . . . May 17

9:00—ASSEMBLY—COMMUNITY SINGING.

9:15—RECONVENE.

REPORTS OF OFFICERS.

REPORTS OF COMMITTEES.

9:50—"Measuring Up to Our Responsibilities."

Robert G. Trosper, Greensboro Merchants Association, Inc., Greensboro, N. C.; President, Associated Credit Bureaus of America.

CLARK  
Attor-  
y  
1. Anti-  
Criminal  
Depart-  
Justice  
D. C.  
LL.B.  
City  
Formerly  
Attorney  
County  
A staff  
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Orleans  
Angeles  
of the  
Division.



DR. M. R.  
NEIFELD

Economist for the Beneficial Management Corporation, Newark, N. J. . . Lectured in Finance at the University of Newark . . . His two books on personal finance and one on cooperative consumer credit are standard reference books . . . He has appeared all over the country on University forums on consumer credit.



W. H. BALDWIN

Vice-President in Charge of Credits for the U. S. and Canada, General Motors Acceptance Corp., New York, N. Y. . . B.A. Princeton . . . Served in World War I as Second Lieutenant . . . Joined General Motors in 1918, serving as Credit Manager in various regional offices.



H. W. ADKINS

Executive Vice-President, Yahrlange Inc., Milwaukee . . . Formerly Vice-President, Gillette Safety Razor Corp.; Druggists Supply Corp.; and Marquis Regan & Co., Management Consultants, New York . . . Member, Natl. Fed. of Sales Executives and Com. for Economic Development.

# HIGHLIGHTS END CREDIT SALES FORUM , H. SCHROEDER, MILWAUKEE, MAY 16-18, 1944

Eugene F. Schuster & Co., Inc., Milwaukee, Wis.

10:10—"Our Duties, Our Pledge, Our Request."

Mrs. Laura Geren, The Boston Store, Fort Smith, Ark.; President, Credit Women's Breakfast Clubs of North America.

10:30—"Let's Add Venture to Business."

Glen V. Rork, President, Northern States Power Co. (Wisconsin), Eau Claire, Wis.

11:00—"Paytriteers in the War Effort."

Hon. Tom C. Clark, Assistant Attorney General, Washington, D. C.

11:30—"Instalment Sales in the Postwar Period."

Dr. Albert Haring, Professor of Marketing, Indiana University, Bloomington, Indiana.

12:00—ACTION ON FINAL REPORT OF COMMITTEE ON CONSTITUTION AND BYLAWS.

NOMINATIONS FOR OFFICERS AND DIRECTORS AT LARGE. ELECTION.

REPORT OF RESOLUTIONS COMMITTEE.

12:30—ANNOUNCEMENTS AND ADJOURNMENT.

9:50—"Report of Postwar Planning Committee."

L. W. Hilbert, Stewart & Co., Baltimore, Md.; Chairman.

10:10—"A Service That Pays Dividends."

Talley Kirkland, Atlanta, Ga.; National Chairman, Collection Service Division, Associated Credit Bureaus of America, Inc.

10:30—"Sound Instalment Credit—Today and Tomorrow."

W. H. Baldwin, Vice-President, General Motors Acceptance Corporation, New York, N. Y.

11:00—"Consumer Credit in Our Postwar Economy."

Kenton R. Cravens, Vice-President, Mercantile-Commerce Bank and Trust Co., St. Louis, Mo.

11:30—ACTION ON REPORT OF RESOLUTIONS COMMITTEE.

RECOMMENDATIONS FROM GROUP MEETINGS.  
WHERE SHALL WE MEET IN 1945?  
UNFINISHED BUSINESS.

12:00—INSTALLATION OF NEW OFFICERS.

12:30—ANNOUNCEMENTS AND ADJOURNMENT.

## Thursday . . . May 18

9:00—ASSEMBLY—COMMUNITY SINGING.

9:15—RECONVENE.

9:30—"What's Doing in Washington?"

R. Preston Shealey, Washington Representative, N.R.C.A., Washington, D. C.

HON. ESTES KEEFAUVER

Representative from the State of Tennessee . . . Democrat . . . Resident of Chattanooga . . . A.B. University of Tennessee and LL.B. Yale University . . . He is a member of the House Small Business Committee and also the Subcommittee on Bankruptcy of the House Judiciary Committee.



COL. FRANKLIN BLACKSTONE

Credit Manager, Frank & Seder, Pittsburgh . . . President of the Retail Credit Association of Pittsburgh and Past President of the National Retail Credit Association . . . He will present a tribute to our armed forces in the United States, Great Britain and Canada.



TALLEY KIRKLAND

National Chairman, Collection Service Division, Associated Credit Bureaus of America . . . Collection specialist, Atlanta, Georgia . . . LL.B. Mercer University, Macon, Ga. . . He is second Vice-President of the Atlanta Retail Credit Association and has been a member of the C. S. D. Committee since 1934.



# Someone Reaches Credit Age Every Day in the Year



*Harry O. Schultz*

Manager, Calgary Retail Credit Grantors Association  
Calgary, Canada

**G**LANCE AT your daily newspaper. You will find a long list of birth notices—new arrivals who won't need credit for a few years. Under the wedding column will be found those who believe "two can live cheaper than one." A third column tells of the passing of those who are beyond the need for credit.

Time pushes the little tots on to credit age, and crowding them are the later arrivals headed on the same path. Little Junior's picture may not be typical but is sufficiently frequent to justify the existence of credit managers and credit bureaus. The last generation's credit ratings covered every letter in the alphabet.

Nearly every chubby little hand has clutched a rotund piggy-bank, that rattled with coppers, buttons and odd things. And when Junior discovers the corner store and with a kitchen knife disgorges some of his juvenile wealth, he usually gets his first lecture in economy. Policemen and other vague things are held over his head. At a later date when the family's pride discovers Daddy poking a knife into piggy, it is a loan. (Sometimes a long-term one.) This is Junior's first contact with credit.

If an average lad—he saves for a bicycle or skis. But it must be a cash purchase by parental order. In fact throughout parenthood most oldsters take nothing but a pale view of an offspring's credit purchases. The things about which Junior is most curious are treated as military secrets. About all he can discover is that everything "costs too much" or "a lot of money." With this intimate knowledge of family financing Junior gets a job, saves some money and decides to pool his ignorance with a pair of brown eyes.

The new householders sharpen a pencil and work out a budget with great care. The salary cheque is stretched in several directions. Shows, rent, cigarettes, groceries—the list grows. There seems to be enough over for payments. Refrigerators, washers and cars come under review. The little house will have to wait until next year. With down payments stuffed in every pocket they visit the neon district and become headaches to several credit managers. Taxes, toothpaste, doctor bills, cosmetics, clothes and other unbudgeted items make their claims

on the young couple. Things become tangled in a credit snarl.

Ordinary business takes on a new and sinister light. Hinting darkly it is one gigantic scheme to keep the workingman in debt, they dream of mayhem for credit managers and bill collectors. They switch patronage, tussle with their bills, and vote CCF or Social Credit. Years later, credit-scarred, weary and wiser, they buy one thing at a time and pay promptly. They vote liberal or not at all, and caution their children to put pennies in piggy-banks.

How much more complex will be the granting of credit after the war? There will be service lads with good war records and no credit records. Many have little wives who live at home or in single rooms and are saving from allowances and their own salaries for down payments on houses, refrigerators and cars. Some of the young husbands have rank in the services. They receive good pay, to which they are becoming accustomed. No doubt when the war ends some provision will be made by our government to establish them in civil life. But many have had no experience in civilian occupations and in providing and guiding household finances.

## **Educational Publicity**

Credit bureau managers no doubt have considered these young couples and the credit pitfalls they might encounter. But have they considered that educational publicity can reach the wives, relatives and friends of these boys now? In most cases the wife is the major influence in family purchases. She is the one who must be sold on the proper use of personal credit in household affairs. After the war there may be a large race to reestablish or establish brands of merchandise, and the public wants are many. Personal savings will be spent and credit will be sought eventually. Experience is a good teacher but it is expensive education. Many will gain their knowledge the hard way.

Publicity makes possible the raising of over \$1,000,000 in bonds within three weeks. It is organized on a grand scale. Lesser ideas have the same tools with which to work—and any worth-while idea will benefit by well-planned, persistent publicity.

(Turn to "Credit Age," page 22.)

# DO YOUR LETTERS MAKE A GOOD IMPRESSION?

**E**VERY letter you write makes an impression—good or bad. You are helping to build, or destroy, the reputation of your firm. True, your collection letters may get the money these days, but do they also retain customer goodwill?

Haven't you often wished there was some way you could improve your credit letters—some service, perhaps, that would come to you regularly to show you how to make your letters more human? Admitted, there are many excellent

textbooks on business correspondence available. But what you want—judging from the requests that have come to the National Office—is something more than a textbook. You are looking for a better letter service designed exclusively to streamline your correspondence—a service that will combine model credit letters for your own use and practical suggestions for the improvement of your own letters.

Such a service is now available!

## BETTER LETTERS SERVICE

Now expanded to include two additional letter writing aids for Credit Executives.

Here's what you'll get:

**1.** Every month, you will receive copy for five new credit department letters that you can use as they are or change to fit your needs. Included are model collection letters (some of which tie in with Regulation W), letters to revive inactive accounts, credit sales promotion letters, adjustment letters, and others styled to handle specific credit problems.

**2.** Every month, too, you will receive a three-page Better Letters Bulletin filled with practical, usable suggestions that will help you to write better letters—and show you how to use letters to build goodwill, to bring back old customers, and get new ones.

**3.** Advisory service. The privilege to submit, once each month, one of your own letters for unbiased advice and constructive criticism.

**4.** Copy of the textbook *Streamlined Letters* by Capt. Waldo J. Marra; 450 pages with a waterproof binding. An extremely valuable book not only for text work but also handy for easy reference.

**5.** Copy of *Successful Credit Department Letters Volume II*; 32 pages of model letters that have been most effective.

## All for \$20.00 a Year

**NOTE:** The Better Letters Service commenced on July 15, 1943. Copies of previous issues are available—while they last—for \$1.25 each.

— FILL OUT THIS COUPON... MAIL IT TODAY —

National Retail Credit Association  
218 Shell Bldg., St. Louis 3, Mo.

Please enter my subscription for your Better Letters Service for one year, price \$20.00. Also send me previous issues at \$1.25 each for the months of \_\_\_\_\_

Check enclosed  Mail bill

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Firm Name and Address \_\_\_\_\_

# Collection Scoreboard

March, 1944 ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ March, 1943

| CITY                  | DEPARTMENT STORES<br>(Open Accounts) |      |      |      |      |      | DEPARTMENT STORES<br>(Installment Accounts) |      |      |      |      |      | WOMEN'S SPECIALTY STORES |      |      |      |      |      | MEN'S CLOTHING STORES |       |      |      |       |      |      |
|-----------------------|--------------------------------------|------|------|------|------|------|---|------|------|------|------|------|--------------------------|------|------|------|------|------|-----------------------|-------|------|------|-------|------|------|
|                       | 1944                                 |      |      | 1943 |      |      | 1944  |      |      | 1943 |      |      | 1944                     |      |      | 1943 |      |      | 1944                  |       |      | 1943 |       |      |      |
|                       | AV.                                  | HI.  | LO.  | AV.  | HI.  | LO.  | AV.   | HI.  | LO.  | AV.  | HI.  | LO.  | AV.                      | HI.  | LO.  | AV.  | HI.  | LO.  | AV.                   | HI.   | LO.  | AV.  | HI.   | LO.  |      |
| Baltimore, Md.        | 58.6                                 | 64.9 | 48.9 | 58.4 | 67.4 | 51.8 | 39.8  | 50.0 | 30.3 | 32.9 | 45.1 | 21.6 | 56.2                     | 64.2 | 41.2 | 51.0 | 58.4 | 40.8 | 60.9                  | 64.1  | 57.7 | 51.7 | 55.5  | 47.9 |      |
| Birmingham, Ala.      | 63.4                                 | 69.4 | 52.0 | 65.8 | 69.0 | 63.9 | 33.2  | 43.3 | 26.0 | 29.0 | 31.3 | 26.7 | 52.2                     | 59.0 | 44.5 | 48.7 | 54.0 | 43.2 | 74.9                  | 80.0  | 66.7 | 61.3 | 63.4  | 51.9 |      |
| Boston, Mass.*        | —                                    | —    | —    | —    | —    | —    | —   | —    | —    | —    | —    | —    | —                        | —    | —    | —    | —    | —    | —                     | —     | —    | —    | —     | —    |      |
| Cedar Rapids, Ia.     | 79.1                                 | 90.2 | 71.4 | 69.0 | 80.9 | 68.6 | 35.2  | 35.5 | 35.0 | 38.4 | 38.9 | 38.0 | —                        | —    | —    | —    | —    | —    | 83.9                  | 84.3  | 83.5 | 88.3 | 99.5  | 77   |      |
| Cincinnati, Ohio      | —                                    | —    | —    | 68.2 | 72.8 | 65.7 | —   | —    | —    | 29.9 | 30.4 | 26.7 | —                        | —    | —    | 57.6 | 65.1 | 41.9 | —                     | —     | —    | 59.9 | 64.6  | 55.2 |      |
| Cleveland, Ohio       | 60.6                                 | 72.2 | 60.6 | 65.4 | 71.1 | 58.9 | 51.4  | 44.3 | 32.4 | 36.2 | 40.5 | 26.1 | 61.3                     | 68.2 | 54.3 | 54.0 | 54.2 | 53.8 | 65.7                  | 101.3 | 54.1 | 62.2 | 86.2  | 49.1 |      |
| Columbus, Ohio        | 68.2                                 | 75.1 | 61.4 | 64.0 | 71.1 | 56.9 | 40.1  | 46.0 | 30.4 | 32.4 | 41.6 | 28.2 | 66.4                     | 67.0 | 56.8 | 64.9 | 65.4 | 63.3 | —                     | —     | —    | —    | —     | —    |      |
| Davenport, Ia.        | 65.0                                 | 70.6 | 59.4 | 62.7 | 68.3 | 57.2 | 30.6  | 31.6 | 29.7 | 27.1 | 30.0 | 24.3 | —                        | —    | —    | —    | —    | —    | —                     | 63.0  | —    | 61.4 | 65.2  | 57.6 |      |
| Denver, Colo.         | 64.7                                 | 68.2 | 62.2 | 63.8 | 66.8 | 59.9 | 33.4  | 36.4 | 26.5 | 26.8 | 37.6 | 23.9 | 62.2                     | 64.7 | 56.0 | 62.3 | 64.3 | 57.3 | 60.4                  | 64.7  | 56.0 | 60.7 | 64.0  | 57.3 |      |
| Des Moines, Ia.       | 70.3                                 | 72.1 | 69.6 | 65.0 | 81.8 | 55.6 | —   | 32.8 | —    | —    | 29.0 | —    | 56.0                     | 82.8 | 55.3 | 52.1 | 70.0 | 51.0 | —                     | 90.4  | —    | 78.4 | 78.5  | 78.3 |      |
| Grand Rapids, Mich.   | 72.1                                 | 76.9 | 67.0 | 66.3 | 68.8 | 62.4 | 35.2  | 39.0 | 31.5 | 28.5 | 29.8 | 27.3 | 55.3                     | 60.5 | 52.6 | 55.0 | 63.6 | 48.0 | 99.3                  | 130.0 | 70.9 | 78.4 | 91.7  | 63   |      |
| Kansas City, Mo.      | 74.6                                 | 78.4 | 70.8 | 60.5 | 63.0 | 58.0 | 33.8  | 41.8 | 25.8 | 25.2 | 26.0 | 24.5 | 72.7                     | 80.3 | 71.9 | 66.0 | 67.3 | 64.7 | 72.7                  | 80.3  | 71.9 | 66.0 | 67.3  | 64   |      |
| Los Angeles, Calif.*  | —                                    | —    | —    | 74.6 | 78.0 | 73.7 | —   | —    | 29.0 | 37.1 | 18.9 | —    | —                        | 51.7 | 70.3 | 51.4 | —    | —    | —                     | —     | —    | 65.8 | 69.6  | 57.6 |      |
| Louisville, Ky.       | 65.0                                 | 65.4 | 64.6 | 63.7 | 64.6 | 62.9 | 28.8  | 40.4 | 23.0 | 29.2 | 34.4 | 22.1 | 60.8                     | 62.8 | 58.8 | 57.0 | 59.0 | 55.1 | 65.7                  | 67.6  | 63.8 | 54.4 | 60.0  | 48.8 |      |
| Lynn, Mass.           | 64.2                                 | 76.3 | 62.4 | 64.4 | 76.0 | 61.2 | 44.6  | 51.9 | 37.4 | 48.5 | 54.0 | 43.0 | —                        | —    | —    | —    | —    | —    | —                     | —     | —    | —    | —     | —    |      |
| Milwaukee, Wis.       | 67.4                                 | 74.8 | 65.7 | 65.8 | 69.7 | 62.4 | 39.6  | 40.7 | 31.8 | 35.4 | 35.9 | 29.7 | 74.0                     | 65.8 | 28.3 | 52.9 | 65.8 | 40.0 | —                     | 66.5  | —    | —    | 65.5  | —    |      |
| Minneapolis, Minn.    | 83.4                                 | 85.1 | 81.8 | 81.2 | 83.1 | 79.8 | 44.6  | 48.1 | 40.0 | 38.8 | 41.6 | 33.7 | 82.1                     | 82.6 | 81.5 | 74.7 | 77.2 | 72.1 | 80.6                  | 92.2  | 69.0 | 69.9 | 78.5  | 61   |      |
| New York, N. Y.       | 60.3                                 | 64.2 | 52.6 | 58.2 | 67.4 | 51.2 | 23.1  | 52.2 | 19.9 | 23.9 | 40.3 | 16.6 | 53.9                     | 56.8 | 42.8 | 52.7 | 61.8 | 40.9 | —                     | 64.5  | —    | 56.3 | 59.2  | 53.5 |      |
| Oakland, Calif.       | 74.5                                 | 77.8 | 73.3 | 68.4 | 72.9 | 65.7 | 36.9  | 50.6 | 25.7 | 35.5 | 49.5 | 28.9 | 57.3                     | 59.7 | 54.9 | 55.4 | 63.3 | 47.5 | 64.1                  | 69.0  | 61.3 | 57.5 | 61.1  | 55.3 |      |
| Pittsburgh, Pa.*      | —                                    | —    | —    | 59.9 | 64.9 | 56.4 | —   | —    | 27.6 | 38.7 | 18.0 | —    | —                        | 57.6 | 64.9 | 44.3 | —    | —    | —                     | —     | —    | —    | —     | —    |      |
| Providence, R. I.     | 55.9                                 | 65.5 | 52.7 | 56.0 | 65.6 | 50.3 | —   | —    | —    | —    | —    | —    | —                        | —    | —    | —    | —    | —    | —                     | —     | —    | —    | —     | —    |      |
| St. Louis, Mo.        | 73.8                                 | 78.7 | 70.7 | 71.2 | 78.2 | 66.9 | 44.5  | 58.6 | 34.9 | 32.9 | 40.5 | 29.1 | 67.9                     | 72.6 | 61.3 | 58.5 | 66.8 | 54.2 | 67.0                  | 68.8  | 66.0 | 59.4 | 64.0  | 53   |      |
| St. Paul, Minn.       | 73.7                                 | 78.5 | 67.4 | 70.2 | 80.0 | 69.0 | 50.8  | 86.5 | 38.0 | 40.0 | 70.8 | 25.8 | 58.6                     | 68.2 | 42.0 | 68.0 | 68.0 | 68.0 | 72.5                  | 92.0  | 62.0 | 57.6 | 71.0  | 46   |      |
| Salt Lake City, Utah  | 84.0                                 | 86.3 | 82.0 | 80.4 | 85.7 | 77.4 | 40.8  | 54.4 | 33.0 | 35.3 | 37.7 | 33.0 | —                        | —    | —    | —    | —    | —    | —                     | —     | —    | —    | —     | —    |      |
| San Antonio, Texas    | 64.5                                 | 72.1 | 54.9 | 62   | 66.7 | 52.0 | 27.2  | 54.9 | 27.0 | —    | —    | —    | 67.9                     | 72.9 | 54.7 | 62.0 | 66.5 | 52.4 | —                     | 69.9  | —    | —    | 61.0  | —    |      |
| San Francisco, Calif. | 66.9                                 | 80.7 | 64.0 | 63.2 | 78.5 | 55.9 | 39.9  | 52.5 | 32.7 | 29.3 | 38.3 | 25.6 | 53.2                     | 64.3 | 51.3 | 47.9 | 52.2 | 48.0 | 65.2                  | 72.9  | 51.1 | 54.4 | 56.2  | 52.4 |      |
| Santa Barbara, Calif. | 71.7                                 | 86.9 | 58.9 | 63.5 | 74.2 | 45.1 | —   | —    | —    | —    | —    | —    | 70.1                     | 83.8 | 61.4 | 57.0 | 61.7 | 58.6 | 79.2                  | 94.4  | 58.1 | 79.5 | 103.2 | 49.4 |      |
| Sioux City, Ia.       | 71.1                                 | 74.2 | 68.1 | 67.8 | 68.2 | 65.5 | 29.1  | 30.8 | 27.5 | 24.2 | 29.8 | 18.6 | —                        | 72.5 | —    | —    | 62.0 | —    | —                     | 66.2  | —    | —    | 74.0  | —    |      |
| Springfield, Mass.    | 74.8                                 | 80.4 | 69.1 | 74.7 | 79.6 | 69.8 | 32.5  | 38.2 | 26.7 | 33.3 | 40.5 | 26.0 | 81.5                     | 81.6 | 81.3 | —    | 81.3 | —    | —                     | 67.0  | —    | —    | 64.5  | 68.0 | 57.0 |
| Toledo, Ohio          | 66.4                                 | 74.3 | 63.6 | 65.4 | 68.8 | 56.5 | 27.9  | 29.2 | 8.9  | 26.8 | 31.2 | 11.4 | 63.5                     | 69.0 | 58.0 | 58.6 | 60.0 | 57.3 | —                     | 45.7  | —    | 50.8 | 53.4  | 48.2 |      |
| Washington, D. C.     | 58.6                                 | 66.0 | 53.4 | 57.7 | 61.0 | 54.0 | 25.5  | 30.3 | 23.4 | 26.2 | 39.4 | 22.4 | —                        | —    | —    | —    | —    | —    | —                     | —     | —    | —    | —     | —    |      |
| Worcester, Mass.      | 63.9                                 | 67.6 | 60.2 | 69.3 | 70.4 | 68.3 | —   | 30.5 | —    | —    | 30.2 | —    | 54.5                     | 60.4 | 44.0 | 61.6 | 61.6 | 58.6 | —                     | 65.0  | —    | —    | 60.2  | —    | —    |
| Youngstown, Ohio      | 69.4                                 | 73.4 | 64.9 | 66.1 | 69.0 | 63.3 | 27.8  | 28.0 | 27.7 | 24.6 | 26.4 | 22.8 | —                        | —    | —    | —    | —    | —    | 86.8                  | 87.3  | 47.0 | 70.2 | 72.8  | 46.6 |      |
| Victoria, B. C.       | 88.3                                 | 97.5 | 79.2 | 87.4 | 95.2 | 79.7 | 47.9  | 53.9 | 42.0 | 36.6 | 37.0 | 36.1 | —                        | —    | —    | —    | —    | —    | —                     | —     | —    | —    | —     | —    |      |
| Regina, Sask.         | 77.6                                 | 66.7 | 69.9 | 73.3 | 84.5 | 67.7 | 29.5  | 29.9 | 29.0 | 25.0 | 25.4 | 23.9 | —                        | —    | —    | —    | —    | —    | —                     | —     | —    | —    | —     | —    |      |

This conference will be held three days instead of the usual four, and one month earlier than usual. We sincerely hope that you have made arrangements for transportation both going and returning, as well as Hotel reservations. The program is a well-planned one of which we are rightfully proud and includes speakers of National repute. The group meetings and open forum discussions, always worthwhile, will present to you an occasion to learn the answers to problems and exchange ideas with other members in your same line of business. Why not plan now to attend and present your views?

Arthur H. Hert.

## THIRTY-FIVE KEY CITIES CONTRIBUTE THESE FIGURES MONTHLY

# MAP OF BUSINESS CONDITIONS

Business conditions have become somewhat more spotty, but the general average throughout the country is holding up very well near the peak levels that have been maintained for several months. This general average of all business activity, including retail trade and industrial production, is close to 18 per cent higher than even the high rate of a year ago.

While the total volume of all business transactions remains relatively stable, the variations among different communities and industries are unusually large. In some cities, the volume of trade and industry is from 30 to 40 per cent higher than last year, but in others it is about the same.

All these trends are expected to continue for some time, at least until some striking change takes place in the war situation and the war production program. As long as enormous amounts of money are spent by the government, business volume is sure to remain high.

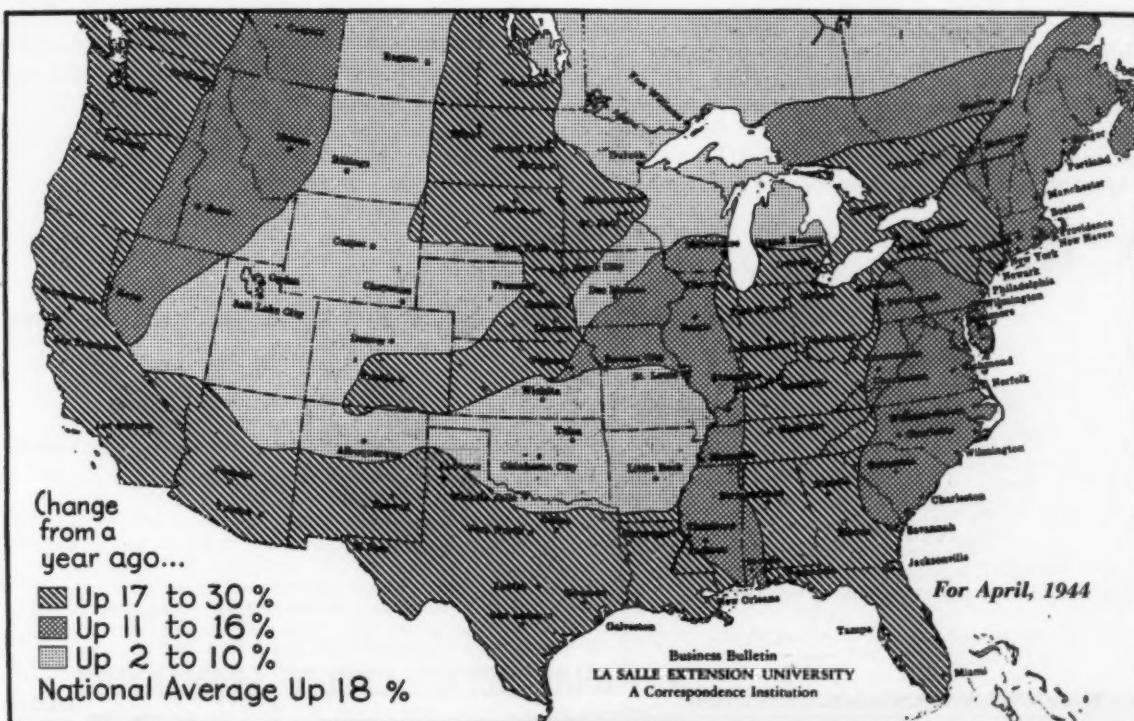
The gains in business volume over last year continue to be in the South and the West, although the increase has been almost as great in the industrial region around the Great Lakes. Another area of better-than-average improvement since a year ago is the northern part of the farming region of the Middle West. Higher farm income is responsible for much of this expansion.

In the New England states, business has been improving some in recent weeks and is now about equal to the national average.

Conditions have become more favorable in the farming districts of the Middle West. The most serious shortages of farm labor and machinery are being made up and farm income is higher. Conditions are better in the northern states of the Middle West, but they are good in the central regions and in the Southwest.

Industries along the West Coast are keeping up the high rate of output which they have maintained for over two years. The greatest increases have been in the manufacture of aircraft and in the building of ships, which constitute the major war industries of that region. Farm output and income are also greater than even the large amounts last year.

The trend of business in Canada is about the same as in the United States. In some places, the increase is greater and agriculture as well as industry is producing in large volume.



## "Journeyings"

(Beginning on page 12)

N.R.C.A. Group meetings in the afternoon were well attended, and there was keen interest in the discussions.

The conference was ably presided over by the President of the District and our National Director, R. E. Langton of Salt Lake City. The Vice-President, LeRoy Rosvall of Denver, was elected President and National Director for a two-year term. Mr. Langton was named Alternate National Director. Other officers and directors are listed in this issue of THE CREDIT WORLD.

Past President Charles M. Reed, General Manager of the Denver Retail Credit Men's Association, treated us to a blizzard—the worst Denver has experienced since 1913. It started snowing late Monday afternoon and by two o'clock the following day reached a total of 18 inches.

Calls were made Wednesday on a number of members. Interesting discussions were had with Alfred Triefus, General Manager of The May Company, Sam Sherman and LeRoy Rosvall, in regard to charge account promotions, both new and inactive, and the advantages and disadvantages of Regulation W. I found Mr. Triefus is opposed to the continuance of the Regulation, while Mr. Sherman favors it because, in his opinion, there is very little chance of interesting a sufficient number of credit granters in a community credit policy to assure its success. He feels that when Regulation W is discontinued, there will be a mad scramble for business and all kinds of terms will be offered.

It was interesting to learn from Elmer C. Stegner, Secretary-Treasurer, Denver Dry Goods Company, that his store and the Joslin Dry Goods Company had adopted non-descriptive billing, effective November 1. According to Mr. Stegner, so many complaints were received that the plan was

(Turn to "Journeyings," page 30.)

## "Credit Age"

(Beginning on page 18)

Not all credit granting firms are wholeheartedly behind their bureau. Some merchants who have less need of the bureau at the moment are inclined to doubt its needs and its usefulness in long-term planning. At some future date when the public's pent-up wartime wants have been satisfied there may come another period. Competition to replace items in the home may bring lower prices, looser credit and keen rivalry. It was so in the 1930's. Wartime savings will have been spent and the need for the bureau will be greater than ever. Regardless of the general prosperity of the country it must be remembered that personal credit rests upon the individual. His education should start before he seeks credit—not after. The day may come when every workingman can drive a Packard, but an odd one would want to have one for his wife too. There is a continual need for the credit bureau even though some trusting souls might believe the government can iron out the credit wrinkles.

Though bureau voices can be raised academically in Federation Conferences—there is still the bread and butter to consider. Here the need for publicity is much more apparent. In the first place, a bureau is only as strong as its membership. The more members, the more records—and therein lies the ability to give credit reporting service. New members must be sold, and present members kept sold. The townspeople must be aware of the bureau and bureau activity. If it were not so, then the bureau might well be only a collection agency, competing with lawyer's letters and bicycle peddlers. Members who pay for service might demur at paying for advertising. Yet members paying for advertising increase the ability for service. Ironically, some of the members who might look askance at a bureau advertising appropriation, will spend large sums of money on institutional advertising to sell an idea concerning their own businesses. If credit managers were better advocates of bureau advertising every bureau would include an advertising charge in its monthly dues. Does bureau store advertising in the same advertising medium reach the

## "Post-War Business"

(Beginning on page 8)

nobody would pretend to know what's going on or may be allowed to go over the retail counters today or tomorrow. When a customer enters a store he does so with two thoughts probably uppermost in mind:

- a. If I can get what I want I'd like to buy it here.
- b. If they don't have it maybe they can help me decide on or find something else.

Two great compliments. Two mental expressions that it has taken great advertising budgets to instill in that customer's thinking processes. Here he stands with both those desirable conditions—one in each hand and above all with money in his pocket to pay for what you sell him. That customer is not seeking or buying merely for pleasure or to kill time and he doesn't class himself in his own mind as being funny or even "trying" or "impossible" in seeking the answer to his perfectly legitimate merchandising requests.

Such a mental state, it seems to me, represents a direct challenge to credit, store and sales management. Regardless of who constitutes the new sales force, of how new and inexperienced they may be, it is the responsibility of management to educate these people in such a way that customers will remember that treatment, and favorably, in those months when merchandise and competition is again wide open.

Sales schools daily may be an answer, and certainly on present store hours there is ample time for them at least 15 minutes a day. Either we meet this spreading "malfunction" or we'll be wondering where our war business went, and our customer, coming out of the store across the street, will look over our way and say, "Are you kiddin'?"

same people? Cash customers and credit customers come into the store through the same door.

*Credit managers—you are paid to set up good accounts, not to collect bad accounts! So is your bureau. So help sell bureau enterprise.*

## N. R. C. A. ELECTROS

*for letterheads, statements, office forms, etc.*



YOUR MEMBERSHIP in the National Association entitles you to use these electros on your printed matter, thereby adding the prestige of this great organization's name. Effective, too, as a collection aid, inspiring customers to pay bills promptly.

**NATIONAL RETAIL CREDIT ASSOCIATION**  
Shell Building

St. Louis, Mo.

## "Regulation W"

(Beginning on page 15)

11. By amending Section 10 (a) entitled "Renewals and Revisions" so that clause (l) will read as follows:

(l) with respect to any obligation of any member or former member of the armed forces of the United States incurred prior to his induction into such service,

12. By striking out the phrase "in form and content prescribed by the Board," from the second paragraph of Section 10 (d) entitled "Statement of Necessity to Prevent Undue Hardship."

13. By amending Section 12 (h) so that it will read as follows:

(h) *Preservation of Records.*—Every Registrant shall preserve, for the life of the obligation to which they relate, such books of account, records, and other papers (including any statements required by or obtained pursuant to this regulation) as are relevant to establishing whether or not an extension of credit within the scope of this regulation was in conformity with the requirements thereof, provided, however, that the Statement of the Borrower obtained pursuant to Section 6 (d) or 7 (d) shall be preserved for the life of the obligation to which it relates or for one year, whichever period is longer, and provided further that the Registrant may preserve photographic reproductions in lieu of such books of account, records, or papers.

14. By amending Section 12 (i) so that it will read as follows:

(i) *Inspections and Production of Records.*—For the purpose of determining whether or not there has been compliance with the requirements of this regulation, every person required to be licensed under Section 3 shall permit the Board or any Federal Reserve Bank, by its duly authorized representatives, to make such inspections of his business operations as the Board or Federal Reserve Bank may deem necessary or appropriate, including inspections of books of account, contracts, letters or other relevant papers wherever located, and, for such purpose, shall furnish such reports as the Board or Federal Reserve Bank may require. When ordered to do so by the Board, every such person shall furnish, under oath or otherwise, such information relative to any transaction within the scope of the Executive Order as the Board may deem necessary or appropriate for such purpose, including the production of books of account, contracts, letters or other papers in the custody or control of such person.

15. By adding to Section 12 the following new subsection:

(n) *Mail Orders.*—An instalment sale shall not be deemed to be in violation of Section 4 (a) if the sale is made upon the receipt of a mail order for one or more articles and the cash deposit received with the order fails by less than \$1.00 to equal the sum of the down payments required by this regulation for all of the articles included in the order.

The National Office has prepared a Supplement to THE LAYMAN'S HANDBOOK OF REGULATION W in which have been incorporated all of the amendments to Regulation W including Amendment No. 11 above. The Supplement includes the original wording of the regulation along with the changes that have been made through the amendments. Copies are available from the National Office at ten cents a copy which covers the cost of printing, plus postage.



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CREDIT ASSOCIATION

Shell Building . . St. Louis, Mo.

*Meetings*  
**ELECTIONS**

# NEWS ITEMS

*Personal and*  
**OTHERWISE**

## Alois M. Siegworth

Alois M. Siegworth, Sales Manager of Modern Dairy, Sheboygan, Wis., died February 21 after a serious illness. He was immediate past president of the Credit Bureau of the Association of Commerce at Sheboygan, and was active in credit activities both local state and national.

## Uniontown Credit School Started

The Uniontown Credit Bureau, Inc., Uniontown, Pa., has organized a Credit School, patterned after a similar School which they conducted several years ago and which was an outstanding success. Two courses will be conducted, one in Streamlined Letters and the other Retail Credit Fundamentals with the textbooks of the National Retail Credit Association being used as a basis for each course.

## Fred Smith Made General Manager

Fred A. Smith, formerly Credit Manager of The Fair, Chicago, and more recently Credit Manager of the Evans Fur Company of that city, was made General Manager of the firm on January 1.

## Make Reservations Now!

From all indications there will be many more in attendance at the Milwaukee Convention than originally expected. It is imperative, therefore, that you make your hotel reservations as early as possible. Send your reservation direct to R. J. Schroeder, Wright Dental Supply Co., Milwaukee. He will see that your reservation is taken care of at a first-class hotel, even though it may not be at Hotel Schroeder, our Convention Headquarters.

## Spokane's Annual Banquet



● The above photo was taken at the highly successful 33rd annual banquet of the Spokane Retail Credit Association. Shown from left to right are: Fred Emry, Emry's Inc., newly elected president; Mrs. T. J. Fahay; Governor Arthur B. Langlie of Washington, principal speaker; and T. J. Fahay, Union Oil Co., retiring president.

## Coming District Meetings

District One (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, Quebec, Canada and Nova Scotia) will meet June 7, 8, and 9, at New Ocean House, Swampscott, Massachusetts.

Districts Five and Thirteen (Kentucky, Michigan, Ohio, Ontario, Canada, Illinois, Indiana, and Wisconsin, except Superior) are combining their 1944 conference with the National Convention to be held in Milwaukee, May 16-18, 1944.

District Eight (Texas) will meet June 18, 19, and 20, 1944, at the Adolphus Hotel, Dallas. This is the second War Credit Conference of the Retail Merchants Association of Texas in joint meeting with the Associated Retail Credit Men of Texas; Texas Retail Credit Bureaus, Inc.; Southwest Petroleum Credit Group; and Lone Star Council of Credit Women.

## Another Promotion for Robert Ross

Robert A. Ross, former President of the N.R.C.A., has recently been elected Vice-President and a member of the Board of Directors of Neiman-Marcus, Dallas, Texas.

## Reprints Available

The National Office has reprints available of the article "Credit Planning for Patients" by Harold E. Scherer on pages 16 and 17 of the March CREDIT WORLD. Only a limited quantity is left and the price is 100 for \$1.75.

## Lansing Unit Reorganized

Under a reorganization plan, the Retail Credit Association of Lansing, Michigan, has adopted a new constitution and by-laws whereby it becomes a unit of the National Retail Credit Association with the rights to function as such. The new officers for the ensuing year are: President, Richard H. Carter, Citizen Loan and Investment Corp.; Vice-President, William Putnam, Estes Furniture Co.; Secretary, Mrs. Ada Cardwell, Maurice Shop; and Treasurer, Miss Ferne Ives, Kositcheck's. Walter A. Graff, Manager, Lansing Credit Exchange, was elected Chairman of the Board of Directors.

## Help Wanted

CREDIT MANAGER-CONTROLLER: Department or Specialty Store experience. Salary and opportunity commensurate with ability. Selber Bros., Shreveport, La.

## For Sale

CREDIT BUREAU—doing a prosperous business. Located in a rural area of Michigan. 20,000 credit files, established five years. Bonded collection department. Illness necessitates sale. Excellent proposition for man and wife partnership. Address Box 442, CREDIT WORLD.

## Recent Elections

### Districts Two and Twelve at New York

Credit granters from 13 states and the District of Columbia took part in a joint wartime conference at New York City on February 14 and 15. Districts Two and Twelve elected officers and directors at this conference, with results as follows:

#### District Two

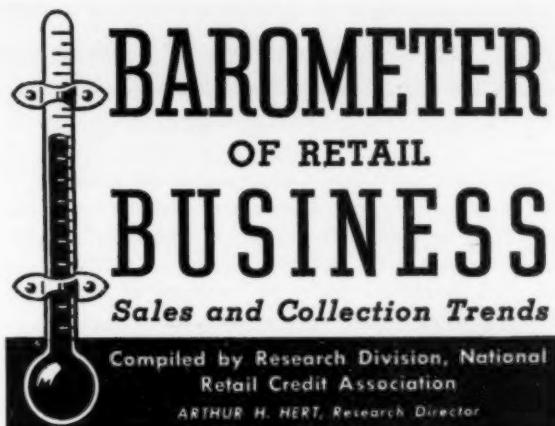
President, Paul C. Jackson, C. E. Chappell & Sons, Syracuse, N. Y.; Vice-President, James Malloy, Abraham & Straus, Brooklyn, N. Y.; and Secretary-Treasurer, Mrs. Jean Smith, The Gorton Co., Elmira, N. Y. Directors: Charles H. Nelson, W. H. Frear & Co., Inc., Troy, N. Y.; R. M. Severa, R. H. Macy & Co., Inc., New York City; E. M. Kirkland, John D. Wendell, Inc., Albany, N. Y.; Harold F. Waite, Sibley Lindsay & Curr Co., Rochester, N. Y.; and Mrs. Irene W. Hamlin, Cloverdale Farms Co., Inc., Binghamton, N. Y.

#### District Twelve

President, R. W. Sloan, Reymer & Bros., Inc., Pittsburgh, Pa.; Vice-President, B. C. Gilbert, L. S. Good & Co., Wheeling, W. Va.; and Secretary-Treasurer, Clarence Wolfinger, Lit Bros., Philadelphia, Pa. Directors: LeRoy N. Dickerson, Wilmington Furn. Co., Wilmington, Del.; George W. Stephens, R. E. Powell Co., Salisburg, Md.; John B. Wilt, John B. Wilt Co., Elkins, W. Va.; Willard R. Pool, Diamond Dept. Store, Charleston, W. Va.; Walter Sonen, Pomeroy's Inc., Reading, Pa.; A. Coonin, Wm. Hahn & Co., Washington, D. C.; Edna Kennedy, Jonasson's, Pittsburgh, Pa. National Director, Frank P. Scott, Woodward & Lothrop, Washington, D. C.; and Alternate Director, Frank Eichelberger, The Hub, Baltimore, Md.

### District Nine at Denver

The annual Conference of District Nine (Colorado, New Mexico, Utah, Wyoming) was held March 19, 20 and 21 at Denver, Colorado. At this Conference the following were elected officers and directors of the District for the ensuing year: President, LeRoy Rosvall, The May Co., Denver; Vice-President, Fred A. White, Albuquerque National Trust & Savings Bank, Albuquerque, N. M.; and Secretary-Treasurer, Giles Foley, Denver National Bank, Denver. Directors: Raymond Stein, City of Colorado Springs Light & Power Dept., Colorado Springs, Colo.; Harold M. Symons, Harold M. Symons Auto Co., Cheyenne, Wyo.; Chris Jensen, Crews Beggs D. G. Co., Pueblo, Colo.; J. W. Valentine, Valentine Hardware, Boulder, Colo.; Wendell Romney, Zions Co-Operative Mercantile Inst., Salt Lake City; and Claude Surrage, Sterling Furn. Co., Ogden, Utah. LeRoy Rosvall was elected National Director and Roderick E. Langton, Salt Lake Tribune Publishing Co., Salt Lake City, was elected Alternate National Director.



### March, 1944 vs. March, 1943

CREDIT SALES increased 1.1 per cent during March; total sales 17.2 per cent; and collections 3.1 per cent, in 32 cities reporting in the United States and Canada, as compared with March, 1943. Some financial recovery, following payment of income taxes, surged total sales upward. For the first time since Regulation W went into effect, credit sales showed a definite increase. Collections continue good in all sections of the country.

Highlights of the monthly analysis are shown in the tables below:

#### Highlights for March

32 Cities reporting.

9,961 Retail stores represented.

#### COLLECTIONS

28 Cities reported increases.

3.1% Was the average increase for all cities.

19.0% Was the greatest increase (Corpus Christi, Tex.).

1 City reported no change (Cheyenne, Wyo.).

3 Cities reported a decrease.

20.0% Was the greatest decrease (Aberdeen, Wash.).

#### CREDIT SALES

22 Cities reported increases.

1.1% Was the average increase for all cities.

23.0% Was the greatest increase (Youngstown, Ohio).

10 Cities reported a decrease.

7.6% Was the greatest decrease (Fort Worth, Tex.).

#### TOTAL SALES

29 Cities reported increases.

17.2% Was the average increase for all cities.

48.7% Was the greatest increase (Dallas, Tex.).

3 Cities reported a decrease.

26.0% Was the greatest decrease (Youngstown, Ohio).

Unrestrained freedom, human nature being what it is, may be dismissed as undesirable. Most retailers, I think, would not like to return to the old, prewar conditions but would favor restraint of some sort, whether generated by each businessman for himself or imposed from without. The question facing us, therefore, is: should government control be continued or should we find something better to replace it?

Most of us, I assume, feel strong revulsion for control by government. Traditionally men have not been able to trust their governments too far; and, even in an enlightened democracy, the men in government are only men like ourselves away from home. Often it is not the most able who leave home; and the men who accept the responsibilities of government do not become wiser or stronger by so doing. If we haven't enough intelligence and strength of character to control ourselves, there is some doubt whether we have enough to provide government which will be really satisfactory, or to accept its controls like good citizens. A democratic government hardly can rise above the level of its citizenry.

Another method, of course, is to exercise control through local or regional bodies set up by credit men or their employers; that is, by associations of businessmen. Such control might fail for lack of authority to enforce penalties. It might be blocked by legal obstacles.

Ideal, I suppose, would be self-restraint, imposed by each businessman upon himself, as a result of his own understanding and his own feeling of personal responsibility. Many credit men, and many employers of credit men, now have this understanding, now feel this responsibility, and now exercise this self-restraint. Many, however, do not. Under a competitive system of free enterprise, which we want to retain, those who do not may color the entire trade to a degree far exceeding their relative number and may bring grave troubles upon the whole. What we need among retail credit men, and among retailers generally, may be described as a professional attitude.

Whether we can achieve a sufficient degree of control, of restraint, informally through the education of individual businessmen, I do not know. I like to hope that we can. I think it is worth trying before we turn to the numbing hand of government.

Certainly this problem offers a challenge to our minds and the first significant opportunity of retail credit men to be of service in the postwar period.

### 2. Financing the Postwar Boom

According to our assumptions, by the time the postwar period begins in 1947, or thereabout, the work of reconverting our industries to their normal activities will be finished in large degree. Automobiles, refrigerators, radios, plumbing supplies, materials for home building and home repair, furniture, electrical appliances, drapery fabrics, floor coverings, and many other articles of considerable value will be available in volume. Consumers will be eager to buy these commodities; and, as usual, one purchase will lead to another.

Many customers, not really needing to borrow, will appreciate the short-term credit and the many conveniences of the 30-day open-book account. Other customers will require financing more substantial in term or in amount and will be attracted to the installment method of payment.

Retailers, therefore, will have an excellent opportunity to do business on credit. Total sales should rise, especially for dealers in the hard lines, and so should the percentage of credit sales to total sales. There will be money to be made by retailers, and the credit managers will play an important part in the making of it. *Credit men must be in position to expand their receivables, to appraise the new applicants for credit accurately, to follow only sound policies in granting new or additional credit, to handle the larger number of transactions smoothly and without error, and to increase the new demand by the encouragement of sound financing.*

### Problems That Might Be Encountered

In doing these things, they are likely to encounter three sets of problems, those connected with:

- a) getting the money
- b) meeting competition, and
- c) keeping their heads.

As more goods become available, business in units will expand. If prices hold semi-permanently at 25 per cent or 30 per cent above the prewar level, as has been forecast, the dollar volume of business will expand still more than the physical volume. Hence, a substantial increase in dollar receivables may be expected. Presumably the banking system will be amply able to provide the funds; but the individual treasurer and credit man with foresight will go into the period with reserves of cash, with well-established banking connections, and in such financial position that he will be able to borrow easily. Otherwise, he may not be reasonably sure of getting all the money he needs, promptly as he needs it, and on favorable terms.

Being possessed of adequate funds, the retailer and his credit man who have been accustomed to making a profit on the financing of installment sales will find that the commercial banks and the finance companies, as well as the retail merchants, are in active competition for this business. Assuming that the banks hold to sound terms and do not operate their personal loan departments at a loss, the stores nevertheless will experience keener competition than they did before the war; and the results of keen competition are likely to be low rates and low profits. If the retailers want to finance the consumer, apparently they will have to do so as efficiently as the banks can and at profit margins as small as those which the bankers are willing to accept. Perhaps retail merchants will be forced to operate on a dealer's profit only, with little or no financing profit, just as they have done for years in the charge account business.

**(To be continued next month.)**

## "The Credit Manager"

(Beginning on page 5)

ceivable but start planning now to increase your charge business when the easy cash days are over.

Coddle your charge customers, especially the white-collar worker, the forgotten man of our time. I predict you will need them—and soon. Get sales-promotion-minded, and think in terms of increased credit volume for your firm.

3. *Improve Personnel and Equipment.*—To prepare your department for the postwar era, now is the time to improve your personnel and equipment wherever possible. See that the people in your department render accurate, efficient and courteous service. If you have old obsolete equipment, take the matter up with your firm and see what can be done about replacement. Be progressive!

4. *Systematize for Efficiency.*—Study your system and the methods used by your firm, and make suggestions wherever you think the system can be improved and made more efficient. Also, study new systems and methods in other stores, maybe they are better than yours. Remember the other fellow may have a good idea, too. Systematize and be up to date.

5. *Keep a Close Contact With Your Credit Bureau.*—This, I think is very important for every credit manager. Establish and keep a close contact with your credit bureau, and maintain, at all times, your membership in the National Retail Credit Association. It is well to remember that the Credit Bureau supports you, therefore, you should support the bureau. After all, the real support of any credit manager is the credit bureau. So use it intelligently and cooperatively and do not be afraid to spend a little money on reports. The money you spend on reports is the most worth while of any expense in your department. Pay for good service and demand good service, and I am sure you will receive good service. Every credit manager should remember that cheap service is the poorest and in the long run may be the most expensive.

### **Support the National Association**

I have been referring to the local credit bureau, but it is equally important that each credit manager keep in close touch with our National Retail Credit Association. To me the position of the National Association is as a fountain of good counsel to which we can turn for help in setting our business right.

As the mortar serves as the tie that binds single bricks into a finished useful building, so does the National bind the individual retailers of this country into a constructive, progressive national institution.

I hope in those five points you may find some help and inspiration in your preparation for the postwar era. When you return to your department the first thing you should do is to survey it—survey everyone working in it and above all survey yourself.

Get ready for the future! Prepare yourself for a big postwar era, when your position as credit manager will be bigger, more responsible, and a much better position than you have ever known before in our credit history.



"I follow with keen interest your perambulating across the country in both Canada and the U. S. A., and it revives memories of the many contacts one has made with mutual friends in the various centres you touch. Assuredly this feature should more closely unite us all and the good work which you constantly seek to promote."—Harry O. Schultz, Manager, Calgary Retail Credit Grantors Assn., Calgary, Alta., Canada.

✉

"I want to thank you most sincerely for your great help in giving me the information contained in your recent letter. I have always said that if there is any information pertaining to credit and business in general that cannot be obtained elsewhere, it can be secured through your office. It is a genuine pleasure to belong to an organization such as the N. R. C. A."—B. Y. Cooper, Credit Manager, Odum Bowers & White, Birmingham, Ala.



"It was a genuine pleasure to have had the opportunity of meeting you and discussing consumer credit problems. Such conferences are, I am confident, mutually beneficial to those of us who are administering Regulation W and those who represent the vendors' and lenders' interests. The remarks which you made at the luncheon attended by the Cleveland credit men were very appropriate and most complimentary of the way in which the Board of Governors has administered the Regulation. Such cooperation and leadership by men in your position have been important factors in the successful administration of the Regulation."—Roger R. Clouse, Secretary, Federal Reserve Bank of Cleveland, Cleveland, Ohio.



"The reaction here to the Canadian number of The CREDIT WORLD was excellent. I have had a lot of comments on it and everyone seems to like it very much."—F. A. Matatall, Secretary-Treasurer and Manager, The Credit Bureau, Ottawa and Hull, Ottawa, Canada.



"Recently, 23 executives, representing every line of retail business in Salt Lake City, met to discuss postwar credit planning. A Chairman was appointed for each of the eight types of business. An immediate survey will be made to ascertain what will be good credit procedure after the war. When the study is available, we intend to send the results to the National Chairman."—Harry P. Earl, Secretary-Manager, Associated Retail Credit Men, Salt Lake City, Utah.



"Your articles in The CREDIT WORLD are a source of real pleasure and are always the first thing I read when each new issue reaches my desk."—Caroline H. Condon, Condon's, Seattle, Wash.



"We are enclosing our check covering 1944 membership. This is one Association that we are happy to belong to and we do not at any time want our membership to lapse."—P. A. Howell, Credit Manager, Hemenway-Johnson Furn. Co. Inc., Shreveport, La.



"We found the article 'The Development of a Business Executive' by Sam W. Rayburn, in the December CREDIT WORLD, very interesting and would like to distribute some copies among our employees."—M. C. Feet, Office Manager, Jenkel-Davidson Optical Co., San Francisco, Calif.



"The article 'The Development of a Business Executive' by Sam W. Rayburn in the December CREDIT WORLD is certainly worth the reading time of every department manager, and I have marked it accordingly for our staff. It points out certain faults in such an interesting way that it will improve the methods of any one reading it. Each month our magazine seems to become more and more interesting."—W. G. Cassmeyer, Credit Manager, Merchants Ice & Coal Co., St. Louis, Mo.



# Granting Credit in Canada

J. H. SUYDAM . . . Canadian Correspondent



## Canadian Credit Regulations

AT JUNE 30, 1943 the amount of instalment credit outstanding in department stores was only 37.8 percent of the amount outstanding at June 30, 1941. This reduction of 62.2 percent in the volume of instalment contracts held by department stores compares with a drop of 34.9 percent in clothing stores, of 71.3 percent in jewellery stores and of 61.7 percent in furniture stores.

These figures are taken from a report recently completed by the Statistics Branch of the Wartime Prices and Trade Board and are based on data secured from 499 retail outlets throughout Canada. These stores had a combined 1942 sales volume of \$240,000,000 and they represent the bulk of stores in these categories which are extensively engaged in instalment selling.

The steps by which this reduction was achieved are shown in the following table which expresses the instalment accounts outstanding at each date as a percent of the instalment accounts outstanding at June 30, 1941.

| Type of Store | Instalment Accounts Receivable 1941 |         | 1942    |         | 1943 |
|---------------|-------------------------------------|---------|---------|---------|------|
|               | June 30                             | Dec. 31 | June 30 | Dec. 31 |      |
| Department    | 100.0                               | 91.2    | 63.3    | 63.8    | 37.8 |
| Clothing      | 100.0                               | 101.0   | 74.2    | 89.3    | 65.1 |
| Furniture     | 100.0                               | 88.3    | 73.3    | 56.0    | 38.3 |
| Jewellery     | 100.0                               | 74.6    | 37.7    | 35.3    | 28.7 |

These reductions in outstanding credit represent a real contribution to the financial position of the firms involved, and they also represent a substantial decrease in purchasing power in the hands of the public with no corresponding inflationary demand for goods or services. The magnitude of the sums involved can be realized from the fact that these 499 outlets had over \$28,000,000 in instalment accounts receivable at June 30, 1941. By June 30, 1943 the figure was less than \$11,000,000.

Two factors have contributed to this reduction in outstanding credit. First is the generally higher level of consumer income which makes possible both the payment of old debts and a shifting of new purchases onto a cash basis. The second is the effect of Consumer Credit Regulations which have been designed in part to reduce the volume of instalment sales, but mainly to facilitate the collection of instalment and charge accounts. It is impossible to separate the results of these two factors but it is certain that without Consumer Credit Regulations instalment commitments would have been greater, the drain on civilian supplies would have been more severe, and consumers would be in a less favorable position to purchase household equipment in the immediate postwar period.

Instalment sales have declined sharply but the rate of decline has been much less for sales than for accounts receivable. The relative movements can be seen from the following table showing those two factors as percentage of their value in the first half of 1941.

| Type of Store | Instalment Accounts Receivable | Instalment Sales Jan. 1 to June 30 | Instalment Accounts Receivable | Instalment Sales Jan. 1 to June 30 |
|---------------|--------------------------------|------------------------------------|--------------------------------|------------------------------------|
|               | as % of June 30, 1941          | as % of Jan. 1 to June 30, 1941    | as % of June 30, 1941          | as % of Jan. 1 to June 30, 1941    |
| Department    | 63.3                           | 73.7                               | 37.8                           | 63.5                               |
| Clothing      | 74.2                           | 86.2                               | 65.1                           | 96.1                               |
| Furniture     | 73.3                           | 84.0                               | 38.3                           | 59.6                               |
| Jewellery     | 37.7                           | 50.4                               | 28.7                           | 46.3                               |

It is clear that instalment accounts receivable have dropped much more rapidly than instalment sales. In other words collections have consistently been greater than new instalment sales.

Of equal significance is the steady decline in the percentage which instalment sales formed in total sales. This movement was almost without interruption despite the relatively wide fluctuations in total sales between the January-June periods and the July-December periods. The firms covered in this project reported that instalment sales formed the following percentages of total sales in each period:

| Type of Store | 1941      |           | 1942      |           | 1943      |
|---------------|-----------|-----------|-----------|-----------|-----------|
|               | Jan.-June | July-Dec. | Jan.-June | July-Dec. | Jan.-June |
| Department    | 14.6      | 11.7      | 9.6       | 9.8       | 7.9       |
| Clothing      | 18.4      | 18.6      | 13.4      | 17.3      | 13.3      |
| Furniture     | 60.6      | 49.2      | 50.5      | 44.4      | 40.2      |
| Jewellery     | 21.6      | 16.3      | 10.2      | 11.2      | 9.3       |

The relatively low importance of instalment sales in department stores must be attributed to the large volume of cash sales in food departments. This together with the fact that purely cash stores have been eliminated from the other groups would account for the difference quite aside from any evidence that the experiences of individual departments of department stores differ from the experience of non-departmental stores handling the same line of goods.

Developments in the field of charge accounts have been much less spectacular. The reduction in charge accounts receivable from June 30, 1941 to June 30, 1943 ranged from 34.4% in Jewellery to 17.3% in Department Stores.

The effect of Christmas sales on charge accounts receivable at December 31 is clearly apparent in the table below showing the detailed movements by which this reduction came about. This table expresses charge accounts receivable at each date as a percent of charge accounts receivable at June 30, 1941.

| Type of Store | Charge Accounts Receivable |         |         |
|---------------|----------------------------|---------|---------|
|               | 1941                       | 1942    | 1943    |
| Store         | June 30                    | Dec. 31 | June 30 |
| Department    | 100.0                      | 112.8   | 86.6    |
| Clothing      | 100.0                      | 104.9   | 77.8    |
| Furniture     | 100.0                      | 107.2   | 100.7   |
| Jewellery     | 100.0                      | 116.2   | 54.5    |
|               |                            |         | 83.8    |
|               |                            |         | 65.6    |

Despite the seasonal factor, it is clear that a steady decline has occurred in the volume of charge accounts receivable. This reduction came entirely from more rapid collections since charge accounts continued to form approximately the same percentage of total sales in all five periods while total sales rose significantly. In fact for every store group the January-June, 1943 charge sales were higher than in January-June, 1941. In the main it appears that established charge account practices have remained relatively fixed while instalment sales have been replaced largely by cash sales. It is probable that there has been some shifting from instalment to charge accounts balanced by other shifting from charge accounts to cash but there are no data regarding the importance of this factor.

As a result of the above situations the following table showing the percentage of cash sales indicates that their importance has increased quite materially.

| Type of Store | 1941      |           | 1942      |           | 1943      |  |
|---------------|-----------|-----------|-----------|-----------|-----------|--|
|               | Jan.-June | July-Dec. | Jan.-June | July-Dec. | Jan.-June |  |
| Department    | 67.6      | 70.9      | 72.7      | 73.1      | 74.7      |  |
| Clothing      | 59.0      | 60.6      | 66.0      | 63.4      | 67.0      |  |
| Furniture     | 23.1      | 29.1      | 31.0      | 37.0      | 39.2      |  |
| Jewellery     | 48.4      | 56.4      | 59.3      | 61.0      | 61.0      |  |

The pattern of declining instalment sales, relatively constant charge account sales and increasing cash sales is very uniform in all types of stores. The only real exception is the furniture group where total sales have dropped but even in it the percentage relationships follow the general movement.

## The Milwaukee Convention

AGAIN THIS MONTH, for the benefit of those who plan to attend our wartime meeting in Milwaukee, we have published the highlights of the Convention program on pages 16 and 17. It will be noted that changes have been made in connection with the days on which certain speakers are to appear. The comprehensiveness of this program should make you realize that your advance registration for the Convention has been an excellent investment. If you have not made that reservation, we would suggest immediate action on it.

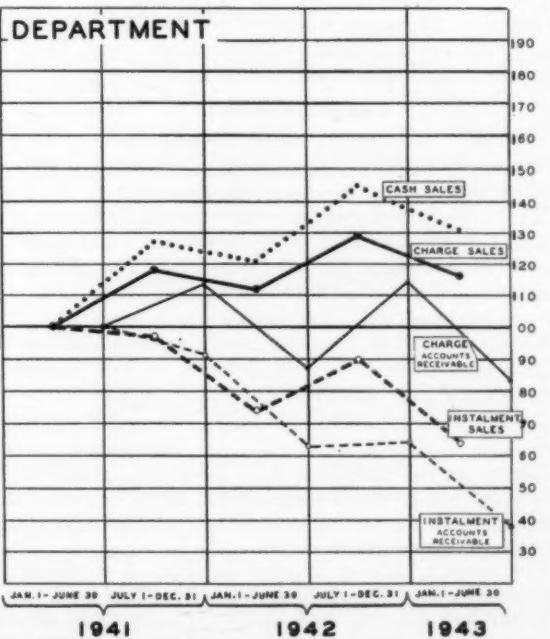
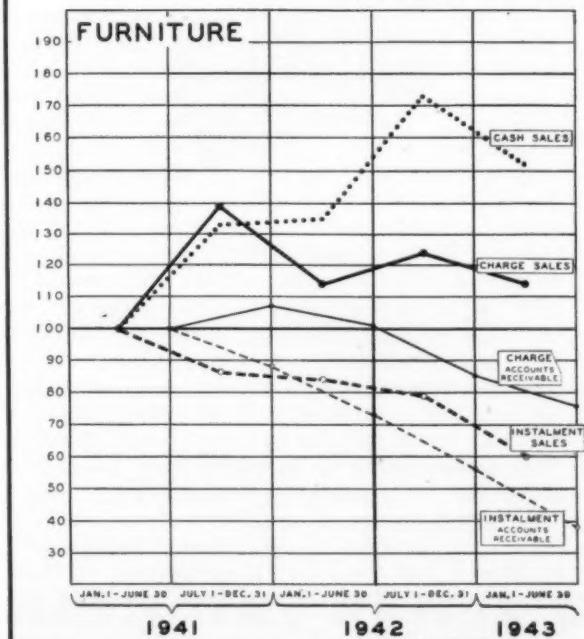
In making preparations to attend, it is suggested that delegates wear medium weight suits and bring their top-coats. The Convention being held a month earlier than usual it might be overlooked that the weather will not necessarily be as warm as it would if it took place a month later.

### Position Wanted

CREDIT EXECUTIVE: Age 48. Now available as Credit Manager, or for responsible position in Treasurer's Office. Prefer connection in or near Akron or Cleveland, Ohio. Full details as to background available. No objection to traveling. Have covered the entire United States. Phone or write W. F. Nank, 564 St. Leger, Akron 5, Ohio. Phone Stadium 5978.

## RETAIL SALES AND ACCOUNTS RECEIVABLE UNDER CONSUMER CREDIT REGULATIONS

SALES - JAN. 1 TO JUNE 30 1941 = 100  
ACCOUNTS RECEIVABLE - JUNE 30 1941 = 100



DATA: STATISTICS BRANCH, W.P.T.B.

RETAIL SALES: SEMI-ANNUAL TOTALS

ACCOUNTS RECEIVABLE: AT JAN. 1 AND JULY 1

RESEARCH DIVISION, W.P.T.B., NO. C-7

# CREDIT FLASHES

## WICHITA MEETING



• Shown with Mr. Crowder in the picture above are two of Wichita's leading credit executives. The photo was taken on the occasion of a meeting of the Wichita Retail Credit Association on March 23, at which Mr. Crowder was guest speaker. On the left is Royce Sehnert, President of the Association, who has been Credit Manager of the *Wichita Eagle*—Wichita's leading newspaper—for 25 years. He is President of the Credit Bureau; President of the Credit Managers' Division of the Kansas State Association for the duration; and Director of District Seven of the N.R.C.A. Charles E. Waggoner, Manager of the Association since it was organized, is seated on the right. All members of the Wichita Retail Credit Association are National Members.

### It's Now Captain Frawley

Thomas F. Frawley, Jr., of New York City, has been promoted to Captain. Before entering the service he was Credit Manager of Oppenheim-Collins Co., in New York.

### Frank D. Moffett Promoted

Frank D. Moffett, formerly Credit Manager of Ross Bros., Oakland, California, has been named Store Manager of the Palo Alto, California, store.

### Congratulations!

On April 1, Donahoe's, Inc., the well known food stores of Pittsburgh, Pennsylvania, made the full and final payment under their plan of reorganization.

The company suffered losses in excess of \$400,000 in the St. Patrick's Day flood of 1936, and was forced to go into 77B proceedings for reorganization. The plan of reorganization was completed in December, 1940. During the reorganization the company was permitted to make payments to both secured and unsecured creditors. The secured creditors were paid 100% of their claims and the unsecured received 95% of their claims.

A creditor's committee was formed at the time the company went into 77B proceedings, and the splendid co-operation of the committee with the company was of inestimable value to the company and all the creditors. The fact that the unsecured creditors received 95% of their claims speaks for itself.

The company is now in splendid financial condition and has paid dividends to its preferred stockholders since December, 1940. The latest dividend was paid March 15, 1944. The company now has a net worth in excess of \$1,600,000.

## "Journeyings"

(Beginning on page 12)

discontinued after two months. He attributed the failure to the fact that only two stores adopted the plan, though he was frank to say he was not sold on it at the time of its adoption. He prefers cycle billing and hopes it will eventually be possible to change over to that method.

Enjoyed a luncheon Wednesday at the Daniels & Fisher Stores. Present were Walter Beans, Vice-President of that company, Walter L. Bowen, Giles F. Foley, Wm. E. Glass, Charles M. Reed and LeRoy Rosvall. Unfortunately, Fred T. Leonard, a charter member and first Treasurer of N.R.C.A., was "under the weather" and could not be present.

Departed for Wichita, Kansas, at 4:45 Wednesday afternoon. *The Eagle*, because of the weather, was so late reaching Pueblo that it was held there—120 miles away. Passengers from Denver to the East were crowded into three day coaches for the run to Pueblo, and transferred to *The Eagle* at that point.

Reached Wichita at 6:00 Thursday morning and was met at the station an hour later by Royce Sehnert, President of the Wichita Retail Credit Association, and Charles E. Waggoner, Secretary of the Association. We had breakfast at the Allis Hotel, after which, following a short visit at the Credit Bureau, a number of calls were made. At noon there was a luncheon at the Innes Tea Room. Present, in addition to Messrs. Sehnert, Waggoner and myself, were National Director L. B. Ferrell, former National Director J. G. McBride, Walt Anderson, J. C. Callaway, Warren B. Jones, G. E. Mohrbacher, Wayne Pendegast, Jerry Simpson and Dr. G. E. Tilton, all members of the Board of Directors of the Wichita Association.

### Dinner Meeting at Wichita

It was my pleasure, at a dinner meeting at 6:30, to address members of the Wichita Association on postwar credit plans, proposed amendments to Regulation W (three of which were adopted by the Board, as announced in the papers the following morning) and the Kefauver Bill, permitting garnishment of the wages and salaries of civil employees of the United States, which was passed by the House on March 3. A number of members from Wichita expect to attend the convention at Milwaukee in May.

Spent Friday in Kansas City—the morning with Past President H. J. Burris, and at noon attended the regular weekly luncheon of the Kansas City Association. Al M. Hammond of the Continental Oil Company presided, and the meeting, as usual, was well attended. The Association meets weekly, year in and year out. On the occasions of my visits to Kansas City, which I try to time for the weekly meetings, I have found the discussions interesting.

In the afternoon, as my time was limited, only a few calls were made. Accompanied by A. L. Dye, Manager of the Credit Bureau, we called on V. A. Newman, Treasurer, Woolf Brothers, and R. G. Ruxton, Treasurer, Emery Bird Thayer Co. An hour or more was spent with E. U. Sherman, Assistant Cashier of the Federal Reserve Bank of Kansas City. In addition to other phases of Regulation W, we discussed Amendment No. 11, announcement of which appeared in the Kansas City papers the morning of my arrival.

Left Kansas City on the 4:35 train and reached St. Louis about 10:30 that night.

# DE LUXE STICKERS

NEW!

ATTRACTIVE!

EFFECTIVE!

Departing from the usual conventional design, in that they are die-cut and have a strong eye appeal, these new De Luxe Stickers, the latest in our educational series, present a telling story in a striking way. Designed for use both with monthly bills and mid-month statements, they attract attention and induce action. They are a product of the St. Louis Sticker Co. Each has a definite purpose. Try them out. You'll be pleased with the results.



An embossed sticker in blue ink on gold paper—for use on all credit correspondence and statements. An educational item that carries a dignified, effective message. For use by members only. Price, \$3.00 a thousand. No. D-1.



For frozen accounts, past-due installment accounts or slow accounts not affected by Regulation W. Stresses the importance of paying promptly. Price, \$2.50 a thousand. No. D-2.



A Regulation W sticker designed for double duty. Can be used with charge accounts, both before and after default. Will collect the money and keep the account active. Price, \$2.50 a thousand. No. D-3.



Just the thing for the chronic "slow pay." Reference to the National Association and the files of the Credit Bureau will speed up payment. Use this sticker to reduce your "charge-offs." Price, \$2.50 a thousand. No. D-4.

All stickers are shown actual size, and, with the exception of the Member sticker, are printed in red and blue ink. Order by number through your Credit Bureau or National Office. Boxed in quantities of 1,000 each.

**NATIONAL RETAIL CREDIT ASSOCIATION  
SHELL BUILDING**

**ST. LOUIS 3, MO.**

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# *The Credit Bureau*

## NOW and AFTER VICTORY

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**I**N 1906, a small group of credit reporting agencies organized the National Association of Mercantile Agencies. Subsequently, they became the Service Division of this Association, and are now the Associated Credit Bureaus of America. This organization of more than 1,300 members, located from coast to coast in the United States and Canada, serves the retail credit granters of both countries efficiently.

Disregarding a severe drop in revenue, largely the result of a scarcity of heavy merchandise, principally sold on instalments, and the unusual personnel problem, they have carried on in a highly satisfactory manner. While at times it has been most difficult, they have continued to do their part in the safeguarding of credit and the education of the slow-paying customer. The credit fraternity offers congratulations for a job well done.

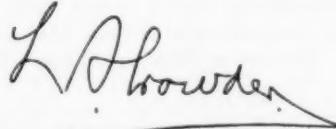
Fortunately for the retailer, there has been no breakdown in credit bureau service, and postwar plans will find bureau managers alert to the necessity of improving the service of today, in order to cope with the demands of business after Victory.

The credit grantor, in the days ahead, can cooperate by obtaining a credit report on:

1. All applicants for credit, both open account and instalment, regardless of the amount of the down payment on instalment purchases.
2. Accounts inactive for a year or more for the purpose of following up such accounts, in an effort to build sales.
3. Past-due accounts, as a guide to future handling. Regulation W has speeded up payments of many customers but, from all accounts, chronic slow-pay customers are still a source of worry and expense.

Your cooperation will enable the credit bureau to continue serving you during the war and to serve you better after Victory.

*Let's all do our part now!*



L. S. CROWDER  
General Manager-Treasurer.

